

## **The complaint**

Miss N has complained that Lloyds Bank PLC (“Lloyds”) hasn’t helped her to get her money back after she fell victim to a romance scam.

## **What happened**

The background of this complaint is already known to both parties, so I won’t repeat all of it here. But I’ll summarise the key points and then focus on explaining the reason for my decision.

Miss N explains that in July 2022 she started speaking to someone (“the scammer”) online using a popular dating website.

Throughout several weeks of speaking the scammer shared information about their life with Miss N, explaining that they were serving in the armed forces overseas and that they had a daughter who was being cared for by her grandfather.

After some time, the scammer asked to borrow some money from Miss N to pay for hospital fees and to help them return home from their deployment. It appears that Miss N sent several payments to the scammer from different accounts, but my decision only focuses on the one payment sent from Miss N’s Lloyds account to an account in the USA in November 2022, for £1,100.

Miss N says she realised she’s been scammed when the scammer was due to fly (presumably to visit her) but didn’t, as they said they were caught at immigration.

Miss N reported the fraud to Lloyds but it explained it wasn’t able to recover the funds as the recipient’s account had been closed. Miss N made a complaint to Lloyds about this, but Lloyds didn’t uphold it. Miss N then referred her complaint to this service.

Our investigator considered everything and didn’t think the complaint should be upheld. She explained that she didn’t think Lloyds should’ve prevented the payment being sent, and she didn’t think that Lloyds had acted unfairly by not being able to recover the money Miss N had lost.

As Miss N didn’t accept the investigator’s opinion, the case has been passed to me to make a decision.

## **What I’ve decided – and why**

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

I’m sorry to disappoint Miss N but having considered everything I’m afraid I’m not upholding her complaint, broadly for the same reasons as our investigator, which I’ve set out below.

As well as thinking about how Lloyds acted when trying to recover the funds, I've also considered whether it should've done more to prevent the fraud taking place at all.

I'd like to start by reassuring Miss N that I fully accept that she's been the victim of a cruel scam, and I am sorry for that. But the starting position in a case like this is that a firm is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

In this case it's not in question whether Miss N authorised the payment from leaving her account. It's accepted by all parties that Miss N gave the instruction to Lloyds and Lloyds made the payment in line with the instruction, and in line with the terms and conditions of Miss N's account.

But that doesn't always mean that the business should follow every instruction without asking further questions or intervening to ensure requests coming from their customers are firstly genuine, and secondly won't result in harm.

Miss N had only opened her Lloyds account a couple of weeks before she made this payment. So Lloyds didn't have much information on what was normal – or not normal – activity for her. Whilst banks have a duty to protect their customers from financial harm, they also need to balance this with what's practical, and proportionate to the risk presented.

Given the lack of knowledge Lloyds had about Miss N, and the fact that the transaction in question was of a fairly low value, I don't think it was wrong for Lloyds to process Miss N's payment in line with the instruction she gave, without any intervention. I haven't seen anything to make me think Lloyds ought to have been alerted to the potential that Miss N was the victim of a scam, so I can't reasonably expect that it should've done more to prevent it from happening.

### Recovery of the funds

I understand that Miss N is unhappy that Lloyds wasn't able to recover the funds from the receiving bank. But Lloyds wasn't made aware of the fraud until around four months after it happened, by which point the receiving bank says the account had been closed. In addition, as this was an international payment, Lloyds' attempt at recovery was on a 'best endeavours' basis and was never guaranteed. So although it's disappointing, there's nothing more I'd have expected Lloyds to do to recover the funds that Miss N unfortunately lost.

I'm very sorry that Miss N has fallen victim to this scam and I do understand that my decision will be disappointing. But for the reasons I've set out above, I don't hold Lloyds responsible for that.

### **My final decision**

I don't uphold Miss N's complaint against Lloyds Bank PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss N to accept or reject my decision before 10 September 2024.

Sam Wade  
**Ombudsman**