

The complaint

Mr I is unhappy that Lloyds Bank PLC has decided not refund him after he disputed a payment made to an account held at Lloyds.

What happened

Mr I engaged the services of a barrister in December 2023. He signed a contract and agreed to pay non-refundable fees of £12,500. I won't go into the details as they are known to both parties but essentially Mr I's relationship with the barrister broke down. After communication with the barrister and following raising a complaint, Mr I says he received a refund £9,000.

Mr I, says he's suffered a loss of £3,500 and has been the victim of fraud. He says the barrister's Ltd company was dissolved in 2021 and was therefore trading fraudulently.

Mr I brought a scam claim with his own bank, which has been dealt with under a different complaint.

Mr I brought a scam claim to Lloyds as the funds were received into an account it held. Lloyds said the matter was a private civil dispute between Mr I and the account holder. It wouldn't be treating his claim as a scam under the CRM code and wouldn't be refunding his losses.

There was an initial error by Lloyds as the claim was raised with a subsidiary of Lloyds rather than with Lloyds directly. It apologised for this initial error but said it had no impact on the complaint outcome.

One of our investigators looked into the complaint. She concluded this was a civil dispute and that Lloyds hadn't acted incorrectly by deciding not to refund Mr I.

Mr I did not accept the investigators findings. He said he was advised to contact the receiving bank as well when raising a scam claim and he believed the findings were incorrect.

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.

It's my role to consider, whether Lloyds is responsible to refund Mr I, when applying the Contingent Reimbursement Model (CRM) and other relevant industry guidance in deciding the outcome of this complaint.

The investigator set out a clear view, explaining why Mr I's claim is not covered by the CRM code and why Lloyds doesn't need to refund him in these circumstances. I agree with those findings. I'll explain why.

I have set out the detail of why I have concluded this is a private civil dispute, and not an APP scam in Mr I's linked complaint against his own bank. I won't repeat them again here.

But taking everything into careful consideration, I'm satisfied the CRM Code doesn't apply and I can't fairly ask Lloyds to refund the money Mr I considers he has lost. I don't think Lloyds treated Mr I unfairly when it said the payment he made was not covered by the CRM Code as it relates to a civil dispute.

I agree with the investigator that although there was an error regarding which entity this complaint should be raised with, this had no bearing on the outcome of the complaint. It wouldn't have changed the finding that Mr I's claim is a civil dispute. And Lloyds apologised for the error which I find to be fair in the circumstances.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 15 January 2025.

Sophia Smith
Ombudsman