

## The complaint

Mr A complains that Lloyds Bank PLC (Lloyds) won't refund money he lost in a job scam.

## What happened

### *What Mr A says:*

Mr A had been looking for a job on LinkedIn and then got a call from someone who said they'd seen his profile and asked him if he wanted to earn extra money. The job involved 'optimising apps'. He was told he could earn USD50 in daily commission.

He went through one day of training and started the job. But then he was told some tasks resulted in a negative balance – and was told he had to pay money in order to withdraw his commission. Mr A paid the money to a crypto wallet and it was then transferred to the scammers. He sent the following payments:

Date	Payment	Amount
2 December 2023	Faster payment to person	£392
2 December 2023	Faster payment to person	£100
4 December 2023	Debit card – crypto exchange	£1,000
4 December 2023	Debit card – crypto exchange	£1,600
8 December 2023	Debit card – crypto exchange	£2,600
<b>Total</b>		<b>£5,692</b>

When Mr A ran out of money, he told his cousin about it and he realised it was a scam. Mr A tried to withdraw funds but he was blocked on the website.

Mr A says that Lloyds should've protected him as the payments were unusual. He says Lloyds should refund the money he's lost.

### *What Lloyds said:*

The bank said Mr A authorised the payments. And they were in line with his normal account activity, so they didn't intervene in them.

Mr A hadn't acted responsibly as he didn't get a contract of employment or carry out sufficient checks on the company. And it didn't make sense to pay an employer to do a job.

Lloyds considered whether a chargeback could be pursued but concluded nothing could be claimed back.

#### *Our investigation so far:*

Mr A brought his complaint to us. Our investigator didn't uphold it. He said the payments were in line with Mr A's normal account activity and so Lloyds couldn't be expected to intervene.

Mr A didn't agree. He said the payments were unusual for him to make. Lloyds should've protected him by intervening in the payments. He asked that an ombudsman look at his complaint, and so it has come to me.

#### **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 hear that Mr A has lost money in a cruel scam. It's not in question that he authorised and consented to the payments in this case. So although Mr A didn't intend for the money to go to a scammer, he is presumed to be liable for the loss in the first instance.

So, in broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And I have taken that into account when deciding what is fair and reasonable in this case.

But that is not the end of the story. Taking into account the law, regulators' rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider Lloyds should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

I need to decide whether Lloyds acted fairly and reasonably in its dealings with Mr A when he made the payments, or whether it should have done more than it did. I have considered the position carefully.

The Lending Standards Board Contingent Reimbursement Model Code (CRM Code) provides for refunds in certain circumstances when a scam takes place. But – it doesn't apply in this case. That is because it applies to faster payments made to another UK beneficiary – and in this case, the payments were made either by debit card, or to Mr A's own account at the crypto exchange.

And while I accept this was a lot of money to Mr A, the payments in question were in fact fairly low value ones. There was also nothing else about the payments that ought reasonably to have concerned Lloyds.

I looked at Mr A's account. And he made regular payments of a similar amount to the disputed payments. For example:

November 2023: £200; £675  
October 2023: £270  
September 2023: £268; £1,579  
August 2023: £830  
July: £268

So – the payments wouldn't have stood out to Lloyds because they were low value; and in keeping with Mr A's normal account activity.

There's a balance to be struck: Lloyds has certain duties to be alert to fraud and scams and to act in their customers' best interests, but they can't be involved in every transaction as this would cause unnecessary disruption to legitimate payments. In this case, I think Lloyds acted reasonably in processing the payments.

Therefore, in the circumstances of this case, I don't hold Lloyds as liable to refund any of the payments to Mr A.

*Recovery:* We expect firms to quickly attempt to recover funds from recipient banks when a scam takes place. I looked at whether Lloyds took the necessary steps in contacting the bank that received the funds – in an effort to recover the lost money.

And here, the funds went from the bank account to a crypto currency merchant and the loss occurred when crypto was then forwarded to the scammers. In this case, as the funds had already been forwarded on in the form of cryptocurrency there wasn't likely to be anything to recover.

*Chargeback:* I also considered whether Lloyds could've made a chargeback claim for the three debit card payments.

The chargeback process is a voluntary one – customers are not guaranteed to get money refunded, and there are strict scheme rules in place by the card schemes (e.g. Visa and Mastercard) which govern chargebacks. In general terms, the chargeback process can provide a refund where a customer has bought goods or a service which isn't provided or is not what was advertised.

So – that isn't the case here, as the crypto exchange merchant bought the crypto currency (which was then sent to the scammers). So, the crypto merchant did what was expected. So, a chargeback had no reasonable prospects of success.

I'm sorry Mr A has had to contact us in these circumstances. I accept he's been the victim of a cruel scam, but I can't reasonably hold Lloyds responsible for his loss.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 14 May 2025.

Martin Lord  
**Ombudsman**