

The complaint

Mrs B and Mr B complain that Lloyds Bank PLC (Lloyds) won't refund money they paid to a firm.

What happened

What Mrs B and Mr B say:

They paid for a course to a firm (which I will call 'firm A') to train them in new skills to do with trading. Mr B attended a three-day training course and felt pushed into paying £8,500 to sign up to access the training and materials. Mr B says he felt pressurised into making this decision and paying the money.

The payments were:

| Date | Payment | Amount |
|-----------------|------------|---------------|
| 17 October 2022 | Debit card | £8,500 |
| 8 November 2023 | Debit card | £69 |
| 8 December 2023 | Debit card | £69 |
| Total | | £8,638 |

Over time, Mr B felt he couldn't get up to speed with the course and wasn't able to learn the new skills – it was never going to work for him. He therefore asked for his money back, which was declined by firm A.

Mr B says he was trying to get a better future through training and learning a new skill. He believed the hype of the company. He got no clear guidance or communications. He couldn't access some of the training platforms, and even after a year couldn't see he could ever get to the 'next level'.

He says he was promised he could get a refund if his 'account' didn't go live – which it didn't. As a result, Mrs B and Mr B have lost their life savings for no benefit.

Mr B says he called Lloyds and was told he couldn't get the money back – he says he was told it wasn't a fraud.

But he says Lloyds should've told him he could raise a chargeback claim but didn't. If they had done so, he could've got his money back. But by the time he complained to Lloyds in April 2024, too much time had elapsed and a chargeback couldn't be started – as more than 540 days had passed.

What Lloyds said:

Lloyds couldn't find a call made by Mr B in 2023. And by the time he contacted Lloyds (in April 2024), it was too late to raise a chargeback claim under the card scheme rules.

Lloyds suggested Mr B consider contacting Trading Standards if he believed firm A wasn't acting as they should.

Our investigation so far:

Our investigator didn't uphold Mrs B and Mr B's complaint. He said:

- There wasn't any evidence to say firm A was fraudulent or operating a scam operation.
- Firm A was providing services and is still in operation.
- So, the evidence suggested Mrs B and Mr B paid money to a legitimate business.
- He couldn't find any evidence of calls made to Lloyds – the bank showed that no calls were received from either Mrs B or Mr B between October 2022 and December 2023 in relation to what happened.

Mrs B and Mr B didn't agree and asked that an ombudsman look at their complaint.

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.

As a first step in this complaint, I need to decide whether this was a scam (where a scammer takes money from a customer with no intention of providing any services or returning the money to them) or a civil dispute (where a payment is made to a legitimate trading company or business, but the promised services or products don't materialise, or are sub-standard).

If this was a scam – then banks (including Lloyds) must follow industry and regulatory guidance to check certain payments and in some circumstances, protect customers by stopping the payments and contacting customers about them. And where banks haven't followed the guidance, they can be asked to refund them.

To give an idea, typical scams are commonly perpetrated by criminals through illegal call centres - for example, scams relating to online banking, or tricking customers into transferring funds to a 'safe account', and romance or investment scams using social media.

But where payments are made to a valid business for work to be done, then such principles don't apply. This is then classed as a civil dispute, and for which banks normally have no liability.

I therefore looked at Mrs B and Mr B's complaint with this in mind. I can see this is clearly a civil dispute between them and firm A I say that as:

- Firm A is still trading and providing training and software programmes to train people in trading techniques – to enable them to learn new skills and trade themselves.
- This appears to be what Mr B thought he was signing up to.
- To do this, firm A charge a range of fees.

- The terms and conditions of firm A say customers use 'simulated capital'; a 'simulated trading account'; and a 'simulated net profit' – in other words, firm A is providing a training package, they are not using customers' money to invest.
- Firm A responded to Mr B's complaint – I would not expect a scam operation to do that.
- Mr B has said he has used the services of firm A but has found them to be unsuitable for him and has got no (or little) benefit. But – that doesn't mean firm A was operating a scam.

Therefore, in this case, Lloyds have no duty to protect Mrs B and Mr B from paying the money to firm A.

I then looked at whether Mrs B and Mr B could get the money back under the 'chargeback' process. 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 can provide a refund where a customer has bought goods or a service which isn't provided.

But – such claims must be made within 540 days. Mr B says he called Lloyds and wasn't offered this and should've been. We asked Lloyds about this – and the bank showed evidence that there hadn't been a call from either Mrs B or Mr B between October 2022 and December 2023. So – on the basis of this, I cannot conclude that Lloyds were at fault.

I considered what might have happened if a chargeback claim had been made. It doesn't provide an automatic refund. And where a merchant (firm A in this case) can show evidence that its service or products have been provided, then such a claim would be likely to fail in any case.

And looking at what happened – while I cannot be certain – I think it's likely that firm A would've been able to show that it did provide training to Mr B. And he therefore got what he paid for, and it's therefore likely that any claim would've failed in any case.

I am sorry that it appears that what Mrs B and Mr B paid for from firm A wasn't what they thought it would be and hasn't worked out. But based on the evidence I've reviewed; I am not asking Lloyds to do anything here. **(continued)**

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B and Mr B to accept or reject my decision before 5 December 2024.

Martin Lord

Ombudsman