

The complaint

Mr O has complained that Lloyds Bank PLC won't refund the full amount of money he lost to a scam.

What happened

Our investigator didn't uphold the complaint. He didn't think the company Mr O sent the money to was operating as scam at the time the payments were made. Our investigator also didn't find any failings by Lloyds in relation to recovering the money Mr O lost.

As Mr O didn't agree with the investigator's view, the complaint has been passed to me to decide.

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 very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the significant part here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, Lloyds ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances. These obligations are based on there having been a fraud and scam, and here I'm not convinced there is enough to say there was. I'll explain why.

In line with the investigator's view, I find it most likely Mr O investigated with a legitimate company at the point the money was sent.

Mr O's representative has said there were online warnings about the company, but these were all published after Mr O made the payments. So, I find it most likely any issues now being reported started to arise later. It's also worth noting that the Financial Conduct Authority were advising unhappy investors to log a complaint with the Cyprus Financial Ombudsman. So, I find it most likely this would have reassured the parties involved that had this been seen, there was protection in place and reassured Mr O about the legitimacy of where he was sending his money.

So even if I were to be convinced Mr O was scammed at the point he made the payments (which for the avoidance of any doubt I'm not), I'm not aware of any information Lloyds could or should have known at the time from which it ought to have been concerned Mr O was being scammed. It could have given Mr O general fraud and scam advice in relation to

investing in particular. But ultimately, I don't think I can fairly say it would have been able to give Mr O any information that would have led him to doubt what he already knew about what he was doing, including if he'd undertaken further reasonable research at the time.

So, even if Mr O had been questioned in more detail about the investment by Lloyds, I don't think it would've highlighted anything that would've caused concern or led Lloyds to believe Mr O was at risk of financial harm from a fraud or scam. Furthermore, even if Lloyds did intervene and tell Mr O to conduct further checks on his investment, I'm not persuaded he would have found any negative information online, as Mr O hasn't supplied anything from that point in time that shows this might have been a scam.

It's also worth noting that I've seen no evidence Mr O was asked to send any money to where he did as part of a scam, or that he suffered losses because of it. So again, it's difficult to conclude a scam took place and Mr O has suffered a loss when we have no evidence to support this.

Having considered what Lloyds did to recover the funds when it was made aware of Mr O's claim, I haven't found any failings on the part of the bank.

I realise this means Mr O is out of pocket. And I'm sorry he lost this money. But this was ultimately caused by the investment company here, and not Lloyds. I can't reasonably ask Lloyds to reimburse Mr O in circumstances where I don't think it ought reasonably to have prevented the payments or recovered them.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 26 September 2025.

Tom Wagstaff
Ombudsman