

The complaint

Mr R complains that Lloyds Bank PLC (“Lloyds”) hasn’t protected him from losing money to a scam.

What happened

The background to this complaint is well known to both parties, so I won’t repeat everything here. In brief summary, Mr R has explained that in September 2023 he made three payments from his Lloyds account for what he thought was a legitimate job opportunity. Mr R subsequently realised he’d been scammed and got in touch with Lloyds. Ultimately, Lloyds didn’t reimburse Mr R’s lost funds, and Mr R referred his complaint about Lloyds to us. As our Investigator couldn’t resolve the matter informally, the case has been passed to me for 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’ve focused on what I think is the heart of the matter. 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.

I’ve decided to not uphold Mr R’s complaint for materially the same reasons as our Investigator.

I don’t doubt Mr R has been the victim of a scam here. He has my heartfelt sympathy. Ultimately, however, Mr R has suffered his loss because of fraudsters, and this doesn’t automatically entitle him to a refund from Lloyds. It would only be fair for me to tell Lloyds to reimburse Mr R his loss (or part of it) if I thought Lloyds reasonably ought to have prevented the payments (or some of them) in the first place, or Lloyds unreasonably hindered recovery of the funds after the payments had been made; and if I was satisfied, overall, this was a fair and reasonable outcome.

I’m satisfied Mr R authorised the relevant payments. Lloyds would generally be expected to process payments a customer authorises it to make. And under The Payment Services Regulations and the terms and conditions of the account, Mr R is presumed liable for the loss in the first instance, in circumstances where he authorised the payments. That said, as a matter of good industry practice Lloyds should have taken proactive steps to identify and help prevent transactions – particularly sufficiently unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there are many payments made by customers each day and it’s not realistic or reasonable to expect Lloyds to stop and check every payment instruction. There’s a balance to be struck between identifying payments that could potentially be fraudulent, and minimising disruption to legitimate payments (allowing customers ready access to their funds).

But in this case, unfortunately for Mr R, I'm not persuaded here that even if Lloyds had intervened in Mr R's payments as I'd expect it to have done, that proportionate and reasonable intervention would most likely have prevented Mr R's loss. I say this for materially the same reasons our Investigator explained. Mr R wasn't forthcoming either with Lloyds on the evening of 23 September 2022 when he tried to make a further payment as a result of the scam without being upfront with Lloyds, when he'd already told Lloyds he thought he'd been scammed. Mr R also wasn't upfront with another one of his banks that also intervened in payments he tried to make from another account. Instead, I'm persuaded that Mr R was unfortunately under the spell of the scam, and the scammers who were instructing him how to do things, including on how to handle his bank, which can be seen from the evidence of WhatsApp communications between Mr R and the fraudsters around the time. The relevant recordings of calls Mr R had with Lloyds and his other bank suggest Mr R would have been intent on going ahead anyway, and wasn't prepared to be upfront. And ultimately, I think he most likely would have found a way, being under the spell of the scam as he appears to have been, to have made these particular payments anyway, even if Lloyds had proportionately intervened and given him robust fraud and scams warnings before these payments were made. In circumstances like this I can't fairly say Lloyds unreasonably failed to prevent Mr R from making these payments and losing this money.

I've thought about everything that's been said. But this hasn't changed my mind.

I'm also not persuaded there were any prospects of Lloyds successfully recovering the funds, given the money was used to purchase cryptocurrency from a legitimate provider and was then sent on and lost to the scammers.

I'm sorry Mr R was scammed and lost this money. However, despite my natural sympathy, I can't fairly tell Lloyds to reimburse him in circumstances where I'm not persuaded it reasonably ought to have been able to prevent Mr R's loss.

My final decision

For the reasons explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 2 October 2025.

Neil Bridge
Ombudsman