

The complaint

Ms K complains that Lloyds Bank PLC (Lloyds) is refusing to refund her the amount she lost as the result of a scam.

Ms K is being represented by a third party. To keep things simple, I will refer to Ms K throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Ms K has told us that she received a text message from what appeared to be a well-known delivery company asking her to reschedule a delivery for which there would be a fee to pay. Ms K clicked in the link and completed the information as requested.

Ms K later received calls from what appeared to be several of her banks including Lloyds and she was told her accounts had been compromised and that she would have to move her funds to an account she held elsewhere and then forward those funds to a safe account to keep them safe.

Concerned she was going to lose her money Ms K followed the instructions she was given. However, once she moved the funds they were lost to the scam.

Ms K made the following payments from her account with Lloyds:

<u>Payment</u>	<u>Date</u>	<u>Payee</u>	<u>Payment Method</u>	<u>Amount</u>
1	5 December 2023	Ms K	Transfer	£1,920.01
2	5 December 2023	Ms K	Transfer	£3,600.00

Our Investigator consider Ms K's complaint and didn't think it should be upheld. Ms K disagreed, so this 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.

It has not been disputed that Ms K has fallen victim to a cruel scam. The evidence provided by both Ms K and Lloyds sets out what happened. What is in dispute is whether Lloyds should refund the money Ms K lost due to the scam.

Recovering the payments Ms K made

Ms K made the payments into the scam via transfer. When payments are made via transfer Lloyds has limited options available to it to seek recovery. Lloyds could contact the operator of the receiving account and request a refund of any funds that remained. But the account

Ms K sent the funds to was an account in her own name so, if any funds did remain in that account, they would remain within Ms K's control. Ms K has also confirmed these funds were then sent from her other account to the scammer.

With the above in mind, I don't think Lloyds had any reasonable options available to it to recover the payments Ms K made in relation to the scam.

Should Lloyds have reasonably prevented the payments Ms K made?

It has been accepted that Ms K authorised the payments that was made from her account with Lloyds, albeit on the scammer's instruction. So, the starting point here is that Ms K is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Lloyds should have been aware of the scam and intervened. And if it had intervened, would it have been able to prevent the scam taking place.

The payments Ms K made from her Lloyds account were made to another account in her name at another provider. While making the payments reduced the balance to £0 it was not unusual for this account to show a very low balance after a transfer was made.

Ms K also often made payments from her Lloyds account to other accounts in her own name, including payments to the account she sent these payments to, and she had previously sent multiple payments in the same day. So, even though the payments Ms K made in relation to the scam were higher in value to those she had sent before I don't think this would be considered unusual, or cause Lloyds concerns that Ms K's funds were at risk.

As I don't think Lloyds should have had concerns, I don't think it was unreasonable that it didn't intervene when the payments were made, and it is not responsible for Ms K's loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 21 February 2025.

Terry Woodham
Ombudsman