

THE COMPLAINT

Miss G complains Lloyds Bank PLC (“Lloyds”) will not reimburse her money she says she lost when she fell victim to a scam.

Miss G is represented by Refundee in this matter. However, where appropriate, I will refer to Miss G solely in this decision for ease of reading.

WHAT HAPPENED

The circumstances of this complaint are well known to all parties concerned, so I will not repeat them again here in detail. However, I will provide an overview.

Miss G says she has fallen victim to a cryptocurrency related investment scam. She says fraudsters deceived her into making payments to what she thought was a legitimate investment with ‘Geminins.com’. The payment transfers in question were all made to Foris MT Ltd (Crypto.com):

Payment Number	Date	Amount
1	23 March 2024	£4,000.00
2	09 April 2024	£5,000.00
3	10 April 2024	£10,000.00
4	12 April 2024	£10,000.00
5	24 April 2024	£10,000.00
6	06 May 2024	£20,000.00
7	07 May 2024	£20,000.00
8	08 May 2024	£11,620.00
9	09 May 2024	£11,174.00

Miss G disputed the above with Lloyds. When Lloyds refused to reimburse her, she raised a complaint, which she also referred to this Service.

One of our investigators considered the complaint and did not uphold it. As Miss G did not

accept the investigator's findings, this matter has been passed to me to make a decision.

WHAT I HAVE 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.

Having done so, I find that the investigator at first instance was right to reach the conclusion they did. This is for reasons I set out in this decision.

I would like to say at the outset that I have summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a submission I have not addressed, it is not because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint.

Further, under section 225 of the Financial Services and Markets Act 2000, I am required to resolve complaints quickly and with minimum formality.

Regulatory framework

The regulations which apply in this matter are the Payment Services Regulations 2017 ("the PSRs").

Should Lloyds have recognised that Miss G was at risk of financial harm from fraud?

It is not in dispute that Miss G authorised the payment transactions in this matter. Generally, consumers are liable for payment transactions they have authorised. However, that is not the end of the story. This is because even if a payment is authorised, there are regulatory requirements and good industry practice which suggest firms/banks – such as Lloyds – should be on the look-out for unusual and out of character transactions to protect their customers from financial harm. And, if such payment transactions do arise, firms should intervene before processing them. That said, firms need to strike a balance between intervening in a customer's payment to protect them from financial harm, against the risk of unnecessarily inconveniencing or delaying a customer's legitimate transactions.

I have borne the above in mind when considering the payment transactions in this matter.

Lloyds intervened in some of Miss G's payments to try to protect her from financial harm. I intend on dealing with these interventions first. I will then address the payments Lloyds did not intervene in later in this decision under the heading: *Should Revolut have exercised further interventions in relation to Miss G's other payments?*

Were Lloyds interventions proportionate?

Lloyds intervened in Payments 1 to 5 and 9. Consequently, Miss G was required to telephone Lloyds to discuss the transactions. Having listened to those telephone calls, I am satisfied that Lloyds's interventions were proportionate to the risk identified regarding the payments that flagged on its systems.

I have reached this conclusion because, in summary, during the telephone calls:

- Miss G confirmed that she had made cryptocurrency related payments previously without any issues.
- The Lloyds agents asked Miss G open ended and probing questions about her

payments. For example, they scrutinised her about why she had not made her transactions from the account her funds originated from. Miss G responded stating that she wanted to use her Lloyds account to be able to better track her payments.

- The Lloyds agents asked Miss G whether there was any third-party instructing/helping her to make her payments, such as a broker. Each time Miss G was asked this question, she replied, no. By way of example, during the telephone call regarding Payment 2, when Lloyds asked about any third-party involvement, Miss G said, “*No. I wish. Do you know anybody? <laughs>.*”
- During all the telephone calls, each Lloyds agent provided Miss G with cryptocurrency investment scam warnings as well as the Financial Conduct Authority’s position on them.

To my mind, a striking feature about the telephone calls is that Miss G never once mentioned that there was a third-party advising her – despite the Lloyds’s agents asking her about this on several occasions. From what I can see, Miss G informing the agents that there was no third-party involvement is at odds with Refundee’s submissions on her behalf. That is, it is submitted, “*The scammers spoke to our client [Miss G] and persuaded them to deposit funds to receive potential returns of up to 300% ... The scammers continued to contact our client to persuade them to deposit further funds to capitalise on the market and make even more.*”

Another striking feature is the fact that Miss G appears to have misled the Lloyds agents during the telephone calls concerned of her own volition. I say this because it has not been submitted that the scammers ‘coached’ Miss G on what to say during an intervention.

Taking all the above points together, I find that during each of the calls concerned, Lloyds’s interventions were proportionate to the risks identified – particularly when weighed against the answers Miss G provided the agents. However, Miss G frustrated Lloyds’s attempts to protect her from financial harm. Lastly on this point, I am not persuaded this is a case where Lloyds, contrary to Miss G’s instructions, should have refused to put her payments through.

Should Lloyds have exercised further interventions in relation to Miss G’s other payments?

I have thought about whether Miss G’s other transactions (Payments 6 to 8) should have triggered Lloyds’s fraud detection systems prompting it to intervene. Having done so, I would not have expected them to have triggered further interventions. I say this because by the time of Payment 6, Miss G had made several significant payments to the same payee. Also, she had confirmed with Lloyds on at least five separate occasions that all was well with her payments and the payee. In my view, this would have alleviated any concerns Lloyds would have had about Payments 6 to 8

However, even if it could be argued otherwise, I am not persuaded that interventions in Payments 6 to 8 would have likely been successful. I say this because I have not seen anything to suggest that Miss G would have responded to such interventions any differently to how she responded to the interventions in Payments 1 to 5 and 9.

Recovery of funds

I have considered whether Lloyds acted appropriately to try to recover Miss G’s funds once the fraud was reported.

Miss G’s payment transfers were made from her Lloyds account to a cryptocurrency account

in her own name. Thereafter, those funds were either moved directly to the scammers, or, if not – Miss G should be able to withdraw them from her account. Further or alternatively, as Miss G's payments were made to purchase cryptocurrency – which would have been forwarded on in this form – there would not have been any funds to recover.

For these reasons, I am satisfied that it is unlikely Lloyds could have done anything to recover Miss G's payment transfers.

Vulnerabilities

Refundee submit that Miss G was vulnerable at the time of the scam due to suffering from depression and taking medication for it.

I have not seen anything to suggest Lloyds knew or ought to have known about Miss G's personal issues at the time. Further, she did not exhibit any signs of them during the telephone calls concerned. Therefore, I do not find that Lloyds should have dealt with Miss G's payments any differently in this regard.

Conclusion

Taking all the above points together, I do not find that Lloyds has done anything wrong in the circumstances of this complaint. Therefore, I will not be directing Lloyds to do anything further.

In my judgment, this is a fair and reasonable outcome in the circumstances of this complaint.

MY FINAL DECISION

For the reasons set out above, my final decision is that I do not uphold this complaint against Lloyds Bank PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 12 August 2025.

Tony Massiah
Ombudsman