

The complaint

Mr C has complained Lloyds Bank plc never properly explained to him how a payment of £1,500 could be made from his account to another account that wasn't his. He's adamant he's been the victim of fraud.

What happened

Mr C brought his complaint to the ombudsman service in August 2024 about a transaction from his account with Lloyds Bank in December 2023. A payment of £1,500 was made on 23 December 2023 to an account with another institution. This payment bounced and was recredited to his Lloyds account on 27 December.

Mr C denied he'd made this transaction and wanted a clear explanation of how this could have been made. He was also concerned at a raft of penalty notices and letters he'd received which he thought were also scams.

Lloyds had told Mr C that their evidence confirmed he'd made this transaction. His own mobile device was used and from an IP address he'd used previously. The transaction was also sent to an account that used to be in his name. Mainly though they confirmed there was no financial loss as the payment was returned to his Lloyds account.

Our investigator reviewed the evidence. She confirmed to Mr C that she couldn't look at the wider context of scam issues he was concerned about as there was nothing to show these had been considered by Lloyds, which they need to review before we could come to a conclusion. Overall she agreed with Lloyds that Mr C had made this transaction. She wasn't going to ask Lloyds to do anything further.

Still unhappy, Mr C has asked an ombudsman to review his 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.

Having done so, I've reached the same outcome as our investigator. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

It's worth stating that I can choose which weight to place on the different types of evidence I review, including technical evidence, provided by financial institutions along with complainants' persuasive testimony.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

The regulations which are relevant to Mr C's complaint are the Payment Services Regulations 2017 (PSRs). These primarily require banks and financial institutions to refund customers if they didn't make or authorise payments themselves.

To help me come to a decision, I've reviewed the evidence Lloyds provided as well as what Mr C has told us.

I believe Mr C made or authorised the disputed banking transaction. I say this because:

- Lloyds' evidence shows Mr C logging onto his banking service using the mobile device and IP address that he'd used previously. Mr C had given us no indication how an unknown third party could have the access needed to make this payment.
- Mr C's history of his Lloyds account shows that Mr C made more than 20 transactions from January to April 2021 to an account he held with another payment service (who I'll call W). The payment of £1,500 also went to this account. I can't see how or why a third party would try to make a payment there.
- Mr C has told us he doesn't have an account with W. But this isn't the case as the transactions in 2021 show. I do think there may well be a case that Mr C has since closed that account. That would certainly explain why the payment for £1,500 was returned to Mr C's Lloyds account.

More importantly there is no evidence of any financial loss. I can see that the attempted payment for £1,500 didn't reach Mr C's account with W. His statement with Lloyds clearly shows this amount being reccredited on 27 December 2023.

I appreciate Mr C wants to have a full explanation of what has been going on and he feels he may be vulnerable to scams. I'm not in a position to provide him with this explanation as I'm satisfied he made and authorised this disputed transaction himself. Nor do I think I can ask Lloyds to do anything further.

Mr C's history of his Lloyds account shows that Mr C has regularly dealt in cryptocurrency which would explain why he held an account with W, as well as another financial institution. Unfortunately this can open a customer up to further suggestive marketing but I can't tell whether this is what happened here.

My final decision

For the reasons given, my final decision is not to uphold Mr C's complaint against Lloyds Bank plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 25 March 2025.

Sandra Quinn
Ombudsman