

The complaint

Mr Z complains that Lloyds Bank PLC won't refund money he lost as a result of a scam.

Mr Z is represented, but for ease, I have referred to comments made by his representative as though Mr Z himself made them.

What happened

The details of this complaint are well known to both parties, so I won't repeat them all again here.

The transactions that are relevant to this complaint are as follows:

Date	Time	Type of Transaction	Amount
25 October 2023	18:43	Debit card payment to R	£60
27 October 2023	15:31	Faster payment to R	£4,500
27 October 2023	18:45	Debit card payment to R	£300
30 October 2023	18:45	Debit card payment to R	£1,566
30 October 2023	21:21	Debit card payment to R	£17
30 October 2023	21:21	Debit card payment to R	£25

In summary, Mr Z said he was sent a message by someone who claimed to be a recruiter offering a job opportunity. The role was to complete tasks in order to boost application ratings in exchange for pay. Mr Z said he was required to make payments to unlock better rewards and more tasks. As a result he transferred funds to an account he held externally before they were used in the purchase of cryptocurrency and sent on to the scammer. Mr Z realised he had been scammed when he could no longer afford the fees and he was asked to borrow money from friends and family. Mr Z complained to Lloyds but it did not uphold his complaint.

Our investigator didn't think the complaint should be upheld. She said Mr Z had not provided Lloyds or his other bank with the real reason for the payments, and the warning Lloyds gave him was based on his answers. Our investigator concluded that the intervention and the warning it gave were proportionate to the value and risk the payments presented.

Mr Z didn't accept our investigator's opinion and he says Lloyds should not have taken what he said at face value. He thinks stronger intervention was required.

As an agreement could not be reached, 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.

Having done so, I have reached the same outcome as our investigator and for similar

reasons. I know this will come as a disappointment to Mr Z, but I'll explain my reasons why.

In broad terms, the starting position in law is that an electronic money institution such as Lloyds is expected to process payments and withdrawals that a customer authorises it to make. As the payments were authorised by Mr Z, in accordance with the Payment Services Regulations and the terms and conditions of the account, he is liable for the loss.

However, taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice, Lloyds should have looked at the wider circumstances surrounding the transaction before making the payment and taken steps to keep its customer's accounts safe. Therefore, it ought to look out for payments which might indicate that its customer is at risk of financial harm due to fraud.

That said, it is not reasonable to expect the bank to stop and check every payment instruction to try to prevent fraud or financial harm. There's a balance to be struck between the extent it intervenes in payments to protect customers, and not unnecessarily disrupting legitimate payment instructions.

Having reviewed Mr Z's account activity, I don't find any of the payments complained of sufficiently uncharacteristic or unusual for them to have caused Lloyds concern. I say this because I noted there were payments made of similar and greater value in the 12 months prior to the scam. And whilst I accept that here Mr Z made several payments in quick succession, I don't think the payments were of significant value when considered in the context of the vast number of payment instructions Lloyds receives. They are also in keeping with his typical account usage and are to an account in his own name, so I don't find there was enough going on to raise suspicion and warrant intervention.

Nevertheless, Lloyds had some concerns and intervened before processing the second payment. When asked the purpose of this payment, Mr Z stated he was going on holiday. I find the warning he was subsequently provided proportionate to the risk the payment presented. I appreciate that Mr Z wasn't aware he was being scammed and was guided by the scammer. However where it has not been provided with accurate information, I can't reasonably expect Revolut to have identified that Mr Z was at risk of a job-related scam and to have provided warnings covering the key features of this type of scam.

Even if Lloyds had probed Mr Z further, I'm not persuaded that it would have been able to uncover the scam. I say this because Mr Z sent screenshots to the scammer and was instructed by them throughout the payment process. Mr Z also gave inaccurate information to his external bank when it questioned him about the payments he was making. It is clear to me that Mr Z was under the scammer's spell and determined to make the payments. I think it is likely that he would have continued to follow the scammer's guidance if probed further by the bank. So I am not persuaded Lloyds could have prevented the scam taking place.

The payments here were sent to an account in Mr Z's name and under his control, we are also aware that the funds did not remain in this account but were sent on to the scammer. So as the only recourse for recovery would be a request to the recipient bank for the fund to be returned from the recipient account, I do not find that there were any prospects of recovering the money Mr Z lost.

I've thought carefully about everything that's happened and I appreciate that Mr Z has been a victim of a cruel scam and lost a large amount of his money, and I sympathise with him. But I must put aside my feelings and consider the matter impartially. Having done so, I cannot fairly or reasonably hold Lloyds responsible for Mr Z's losses.

My final decision

For the reasons outlined above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Z to accept or reject my decision before 21 July 2025.

Oluwatobi Balogun
Ombudsman