

The complaint

Mr S complains that Lloyds Bank PLC ('Lloyds') won't refund the money he lost after falling victim to a scam.

What happened

Mr S wanted to obtain a Construction Skills Certification Scheme (CSCS) card in order to work in the construction industry. He saw an advert on a social media site, from someone who said they worked for the Construction Industry Trade Board (CITB), offering help in obtaining a CSCS card. I'll refer to individual who had posted the advert as T.

Unfortunately, this was a scam and the person who posted the advert wasn't legitimate.

Mr S says T provided a copy of his identification, which persuaded Mr S that it was genuine. Mr S made a payment of £300 from his Lloyds account in January 2023.

When Mr S didn't receive the card and the scammer cut off all communication, he realised it was a scam. Mr S reported the scam to Lloyds in February 2024, asking that they refund him.

Lloyds investigated Mr S's claim but declined to refund him. Lloyds said Mr S had no reasonable basis for believing the person he was paying was legitimate, as he didn't complete any checks before making his payment. So, he wasn't entitled a refund under the Contingent Reimbursement Model Code (CRM Code).

Mr S wasn't happy with Lloyds' response, so he brought a complaint to our service.

An investigator looked into Mr S's complaint but didn't recommend that Lloyds refund him. The investigator raised the following concerns:

- The CSCS card Mr S was shown had a generic email address (not one associated with T's employer) and included a lot of personal information.
- Mr S hadn't provided any evidence that he'd completed the training or received the qualifications required to qualify for a CSCS card.
- The person that Mr S paid, wasn't T or his employer.
- CSCS's official website says that a card should never cost more than £36, so Mr S was paying over 10 times the recommended cost.
- The CSCS website contains a warning about fake cards and how to spot a fake.

Mr S disagreed with the investigator's opinion and raised the following points:

- The checks he did were proportionate to the job he was undertaking.
- The CSCS card he was shown was convincing evidence that T was genuine and able to offer the service he wanted.

- Mr S was the victim of a sophisticated scam.

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.

In deciding what's fair and reasonable in all the circumstances of a complaint, 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 be good industry practice at the time.

Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I've reached my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in light of the available evidence.

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

Is Mr S entitled a refund under the CRM Code?

Lloyds are a signatory to the CRM Code which requires firms to reimburse customers who have been the victims of APP scams like this, in all but a limited number of circumstances.

Under the CRM Code, a bank may choose not to reimburse a customer if it can establish that an exception to reimbursement applies. In this case Lloyds say Mr S made the payment without having a reasonable basis for believing that: "the payee was the person the customer was expecting to pay; the payment was for genuine goods or services; and/or the person or business with whom they transacted was legitimate".

Having reviewed the evidence, I'm satisfied that Lloyds can rely on this exception to reimbursement. I'll explain why.

- Mr S hadn't completed any training or received any valid UK qualifications in order to meet the requirements for a CSCS card. Mr S says T told him he only had to watch some videos and answer some questions, which should've concerned Mr S.
- T's identification doesn't look professional. It included a free email address, not an email address linked to the company T said they worked for. Also, it contained a lot of personal information that wouldn't usually be on this type of identification.
- CITB's website says that the card should only cost £36 and sets out clear requirements that have to be met in order to qualify for it. Which directly contradicts the information that T gave Mr S.
- Mr S says he had concerns about the payee he was asked to make payment to, despite T saying it was the person who organised the courses. I think a reasonable person would've questioned why they weren't paying the company that T said they worked for, if T was genuine.
- Mr S says someone told him he needed a CSCS card to work in construction, but there is no evidence that Mr S did any checks on the requirements relating to the CSCS card. Basic online checks would've shown links to the CITB and CSCS websites, which both clearly set out the requirements to qualify for a card.

I'm not satisfied, based on the information Mr S had, that he had a reasonable basis for believing that T was genuine or that T was offering a legitimate CSCS card. So, Lloyds are entitled to rely on the exception to reimbursement.

Also, based on the size of the payment, Lloyds weren't required to provide an effective warning. So, Lloyds have met the obligations set for them under the CRM Code.

On that basis, I'm not satisfied that Mr S is entitled to a refund under the CRM Code.

Is there any other reason I could hold Lloyds liable?

Taking into account the law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider Lloyds should fairly and reasonably have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams.

Also, I'd expect Lloyds to have systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). And where a potential risk of financial harm is identified, to have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – as in practice all banks do.

Based on the size of the payment and Mr S's previous account activity, I'm not satisfied that Lloyds should've been concerned or identified a potential risk of financial harm when Mr S made the payment. While this was a lot of money for Mr S, it was a relatively low value payment and wasn't so unusual and out of character that I would've expected Lloyds to have intervened or contacted Mr S to discuss it.

So, I can't fairly say Lloyds should've prevented Mr S's loss.

Recovery

Mr S didn't raise a fraud claim with Lloyds until a year after the payment was made. In these situations, scammers usually remove the money very quickly (within minutes) after it is received into the account, to prevent banks from recalling the funds if a scam claim is raised. Based on the information, I'm satisfied that it's more likely than not funds couldn't have been recovered.

I realise that Mr S was the victim of a scam, but that doesn't necessarily mean he is entitled to a refund. And, having carefully considered the evidence, I'm not satisfied I can hold Lloyds liable for his loss or ask them to refund him.

My final decision

My final decision is that I don't uphold this complaint against Lloyds Bank PLC.

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

Lisa Lowe
Ombudsman