

The complaint

Mr G complains about Lloyds Bank PLC.

He says that Lloyds failed to protect him when he fell victim to a scam and would like it to refund him the money he has lost as a result.

What happened

Mr G received a phone call out of the blue by from an individual who claimed to work for an investment company I will refer to as 'S'. The individual said that he could work as Mr G's personal account manager and invest on his behalf – they seemed to know a lot about Mr G and were professional and knowledgeable.

Mr G did some research on S and found some good reviews which reassured him about the investment.

The individual told Mr G that he would be investing in cryptocurrency on Mr G's behalf, and told him to download the screen sharing software, Anydesk. He was also given access to a trading platform where he could 'see' his investments in real time which all seemed professional, technical and detailed.

After deciding to go ahead with the investment, Mr G opened accounts with legitimate crypto exchanges, and began to make payments.

Between March 2021 and August 2022, he made payments from his account with Lloyds of £85,747.

Things appeared to go well, and Mr G was pleased with how he thought his money was doing. He was in regular contact with the individual throughout the process.

Mr G was convinced by the individual, who we now know to be a scammer, until they told Mr G that in order to make a withdrawal, he would need to make further payments for tax purposes – but Mr G had already done so. The individual then became threatening to Mr G, and said that they would come to his home.

Mr G complained to Lloyds about what had happened, but it didn't uphold his complaint so he brought it to this Service. Our Investigator looked into things but didn't think that Mr G's complaint should be upheld.

Mr G asked for an Ombudsman to make a final decision, so the complaint has been passed to me.

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 decided not to uphold this complaint, for broadly the same reasons as our Investigator.

In broad terms, the starting position at law is that banks and other payment service providers (PSP's) are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And I have taken that into account when deciding what's fair and reasonable in this case.

Mr G authorised the payments in question here – so even though he was tricked into doing so and didn't intend for the money to end up in the hands of a scammer, he is presumed liable in the first instance.

But this isn't the end of the story. As a matter of good industry practice, Lloyds should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks had (and have) obligations to be alert to fraud and scams and to act in their customers' best interests, but they can't reasonably be involved in every transaction.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider having 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 anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had 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). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- Have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

In this case, I need to decide whether Lloyds acted fairly and reasonably in its dealings with Mr G when he authorised payments from his account or whether it could and should have done more before processing them.

Our Investigator has explained that while they think that Lloyds should have intervened earlier than it did, they were not persuaded that the complaint should be upheld as Mr G wasn't honest with Lloyds when it asked him about what he was doing.

However, looking at the payments Mr G made, I am not persuaded that Lloyds needed to step in before it did – while Mr G was making payments to crypto, they were spread out over a number of months, and individually they were not of a particularly high value., and not

every payment made to crypto is made as part of a scam.

Lloyds intervened when Mr G began making payments to his account with 'R' – and asked him about what he was doing and why. Mr G was being coached by the scammer and told not to divulge information to Lloyds about the true purpose of his payments, and he told Lloyds that he was making a car purchase. I understand that Mr G's representatives have said that Lloyds should have known that the payments were going to crypto and so Mr G was lying to it – but at this point the payments were going to R, not a crypto exchange.

Mr G's representatives also say that had Lloyds intervened at an earlier point, that Mr G would not have been so under the spell of the scammer, and so the scam could have been stopped.

However, even if I was to accept that there may have been an argument that Lloyds should have stepped in before it did, the evidence suggests that Mr G was willing to withhold information and was being coached in what to say – so I can't say that an earlier intervention would have uncovered the scam.

I'm very sorry for the situation Mr G now finds himself in – I know that he has lost a lot of money to a cruel scam. But ultimately his loss has been caused by the scammer – not Lloyds. And I can't ask it to refund him when I don't think it could have uncovered the scam.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 19 November 2025.

Claire Pugh
Ombudsman