

The complaint

Mr A complains that Lloyds Bank PLC ('Lloyds') won't refund the money he lost to a job scam.

What happened

The events leading up to this complaint are known to both parties. I won't repeat all the details here.

In summary, Mr A says that in January 2024 he was contacted by an individual (a scammer) about a remote job opportunity with a company (I'll call 'D'). He says that the contact wasn't unexpected as he'd signed up to several recruitment agencies previously – and that he saw this as an opportunity to alleviate financial stress.

For the job itself, it was explained his role as a 'data promotion agent' at D would involve promoting products for various companies to increase exposure. And that he'd earn a salary and commission for completing sets of 'tasks'. To make the scam more convincing he was given access to a professional-looking platform, taken through a KYC process, given some training, added to a group chat for support, and was able to make some withdrawals initially.

As part of the process, he was required to deposit his own money in the 'work' platform and complete the assigned 'tasks'. These deposits were paid in cryptocurrency. This was bought either by sending money from Lloyds to his other accounts with other firms (I'll call 'R', 'M' and 'C') and then buying the cryptocurrency from there, or by buying cryptocurrency directly from a legitimate crypto-exchange, or by using a seller likely operating in the peer-to-peer market (P2P). It was the cryptocurrency that was lost to the scam.

Things appeared to be going well at first as his 'earnings' seemed to grow. But he realised he'd been scammed when, having paid what he was led to believe were fees for "*AML and anti-bribery*" he was asked to pay more. When he refused, his account was locked. By that time, however, over £30,000 had been sent towards the scam between January and March 2024. Below are the payments I've considered as part of this complaint and I understand that some of the money used to fund the scam was borrowed from family and friends.

A complaint was made to Lloyds and referred to our Service. Our Investigator looked into it and didn't uphold it. In brief, she thought that Lloyds had taken appropriate steps to protect Mr A from fraud when it intervened on some of his transactions. She noted that Mr A had been untruthful about the reasons behind the payments when questioned and she thought it was unlikely Lloyds would have unravelled the scam even if it had probed further.

As the matter couldn't be resolved informally, it's 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've reached the same conclusions as the Investigator and for similar reasons. To note, some payments sent from Lloyds to R and M, that may have been made as part of the scam, may have been missed from the payment list Mr A submitted with his initial complaint. That said, I don't think it's appropriate to delay my decision. If payments were missed and Mr A wants them considered, he'll need to complain to Lloyds directly about them in the first place. But I'd suggest he takes into account what I'll go on to explain below before deciding whether that's something he wishes to pursue.

Authorisation

It's not in dispute Mr A was scammed and I'm sorry about the impact the whole experience has had on him. It's also not in dispute that he authorised the payments from his Lloyds account. So, although he didn't intend the money to go to a scammer, under the Payment Services Regulations 2017, Mr A is presumed liable for his losses in the first instance. And as the Supreme Court reiterated in *Philipp v Barclays Bank UK PLC*, banks generally have a contractual duty to make payments in compliance with the customer's instructions.

Prevention

There are, however, some situations where I consider that a firm (like Lloyds) taking into account relevant rules, codes and best practice, should reasonably have taken a closer look at the circumstances of a payment – if, for example, it's particularly suspicious.

In this case, I think it's arguable there was enough about some of the disputed payments for Lloyds to have intervened on suspicion that Mr A might be at a heightened risk of financial harm from fraud. I note, for example, the payment for £4,500 on 31 January 2024 was for a significant amount, to a new payee, and the fourth payment to the same recipient that day.

But I'm not persuaded any intervention, proportionate to the risk presented by any of the payments, would have likely unravelled the scam, such that I can fairly and reasonably hold Lloyds responsible for Mr A's losses. This is because, as referred to by the Investigator, Lloyds did intervene on a number of the disputed payments to question Mr A more about the surrounding circumstances – and, at no point, did Mr A share any information about what he was really doing to enable Lloyds to provide him with a warning relevant to his situation.

The first time Lloyds stepped in was on 31 January 2024, on a payment of £1,220 Mr A was sending to his newly opened account with R. In that call, Mr A was asked why he'd opened that account. He replied it was to receive “cashback” on spending. He was warned at that point that fraudsters can be very convincing at getting customers to open new accounts and move money there. Mr A replied that he works in fraud himself and understood the bank was taking steps to protect him. Mr A then confirmed no one had asked him to make the payment and again confirmed he wasn't moving money for any reason other than the one he'd given.

In a further call, on 31 January 2024, Mr A was asked for the reason behind his payment for £4,500. He again confirmed he was sending it to R for “cashback”. He went on to say he had a “wedding” coming up and so he'd be using R to pay for things and earn the cashback.

There next intervention was on 21 February 2024 in connection with a payment of £5,000 to C. Mr A confirmed he was transferring to his new account with C as he'd receive “interest”. He was warned that if information was held back and the payment was then lost to a scam, it'd be unlikely he'd get it back. He confirmed no-one had asked him to open this account; that no third-parties had asked him to make the payment; and that no-one had asked him to lie to the bank or to move money to another account for any other reason than the one he'd given. In turn, he was provided with a warning relevant to ‘impersonation’ scams.

There was another call with Lloyds' fraud team on 22 February 2024. This was for a payment of £2,400 sent directly to an individual's personal account. When questioned Mr A told Lloyds that the individual was a "*friend*" he'd known "*in person*" for about "*seven years*". He went on to say he was sending money to help his 'friend' with repair bills for their car. When probed he said the 'friend' had asked him for the money when he'd met him earlier that day and that the 'loan' was going to be repaid on the next payday. Mr A was again then provided with a warning, this time relating to 'impersonation' and 'safe account' scams. And when asked if he was moving money for any other reason than the one he'd given, he confirmed "*no*" and that he was making the payment off his own instruction. There was no suggestion Mr A was sending money for the purchase of cryptocurrency and in connection with online work.

In the circumstances, like the Investigator, I'm satisfied Lloyds took proportionate steps in trying to establish a possible scam risk and it wasn't unreasonable for it to have processed Mr A's payment instructions based on the information it was given. I don't agree with Mr A's suggestion that the circumstances here were such that Lloyds should have gone as far as requesting evidence from him to support that what he'd said he was doing when it intervened was true. And even if I were to find that Lloyds ought to have done more, I'm not persuaded further probing or interventions would necessarily have led to the scam being exposed. This is particularly given how things played out when Lloyds intervened and the extent to which Mr A was under the scammer's 'spell' and prepared to mislead it (and other firms) about what he was involved in. Neither can I rule out the possibility of Mr A finding another way to make payments in any event given the various firms and methods he used to make them.

I'm again sorry Mr A was the victim of a scam. I appreciate that, as he's told us, he was vulnerable at the time and manipulated into thinking he had no option but to follow the scammer's instructions. But I don't think it'd be fair to hold Lloyds liable for his losses in circumstances where it's unlikely it could have prevented them. For completeness, I've considered Mr A's comments on the application of the CRM Code. But the Code doesn't apply where payments are sent between a customer's own accounts, or used for the legitimate purchase of cryptocurrency, or to payments sent in cryptocurrency.

Recovery

In terms of recovery, I'm satisfied there was little Lloyds could have done. For the transfers made to Mr A's own accounts, it's clear the funds had been moved on from there by the time the scam was reported or they'd have been available for Mr A to access himself. For the payment made to an individual's account, I'm satisfied this was likely for the purchase of cryptocurrency via P2P. There wouldn't have been a basis for Lloyds to have attempted recovery in this scenario as there's nothing to suggest the seller was part of the scam itself.

For the card payment made directly to Mr A's account with a crypto-exchange it's again unlikely recovery, through a chargeback, would have been successful as there's no dispute Mr A received the cryptocurrency as intended before it was sent and lost to the scam.

My final decision

For the reasons I've given, I don't uphold this complaint.

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

Thomas Cardia
Ombudsman