

The complaint

Mr S complains that Lloyds Bank PLC (“Lloyds”) hasn’t protected him from losing money to a scam.

What happened

The background to this complaint is well known to both parties, so I won’t repeat everything here. In brief summary, Mr S has explained that in September 2020 he made numerous payments from his Lloyds account for what he thought was a legitimate investment. Mr S subsequently realised he’d been scammed and got in touch with Lloyds. Ultimately, Lloyds didn’t reimburse Mr S’s lost funds, and Mr S referred his complaint about Lloyds to us. An Investigator here looked into things and didn’t recommend that the complaint be upheld. Mr S didn’t accept this and asked for an Ombudsman’s decision, so the case has been passed to me for a decision.

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.

I’ve focused on what I think is the heart of the matter here. If there’s something I’ve not mentioned, it isn’t because I’ve ignored it. I haven’t. I’m satisfied I don’t need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Having done so, I agree with the Investigator’s conclusions for the following reasons:

- It isn’t in dispute that Mr S authorised the transactions in question. He is therefore presumed liable for the loss in the first instance. However, Lloyds is aware, taking longstanding regulatory expectations and requirements into account, and what I consider to be good industry practice at the time, that it should have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.
- However, whilst I want to acknowledge my natural sympathy that Mr S was scammed, my role requires that I remain impartial. And where I can’t be sure about something I need to make up my mind on the balance of probabilities – in other words, based on what I think most likely would have happened taking into account all the available evidence and arguments. And having done so, unfortunately for Mr S, I’m not persuaded here that even if Lloyds had intervened in these payments proportionately, before they were sent, that this most likely would have changed anything. I think it’s most likely that Mr S would have made these payments anyway.
- I say this because having reviewed the chat messages between Mr S and the scammer, I can see, like our Investigator did, that the scammer made it very clear that Mr S wasn’t to mention the investment to anyone as it was an insider secret,

which Mr S acknowledged, confirming this was something between him and the scammer. What's more, Mr S's own testimony is that he fully trusted the scammer. I understand from what he's said that he believed the scammer to be somebody who was genuinely romantically interested in him; he completely trusted her; they would speak every day and display signals of a relationship with each other. So I think Mr S was likely under the spell of the scammer and the scam. And overall, I just don't find it persuasive, based on what I've seen in this particular case, that proportionate intervention from Lloyds is likely to have prevented Mr S's loss. In deciding this, I've thought about what Mr S's representative has said about the banking protocol. But I agree with what our Investigator said about this – that this isn't compulsory and it's for situations where the bank is really quite concerned, but Mr S's chat messages with the scammer indicate it's unlikely the involvement of the third party (scammer) would have been shared with Lloyds. In any event, the evidence overall isn't persuasive in this case, in my view, that it would be fair to say Lloyds reasonably ought to have been able to prevent these particular payments, or that it would be fair to hold it responsible for not doing so.

- I'm not persuaded there were any prospects of Lloyds successfully recovering the funds, given the money was used to purchase cryptocurrency from a legitimate provider, which was then sent on and lost to the scammers.

I've considered everything Mr S and his representative has said. And I'm really sorry Mr S was scammed and lost this money. Despite my natural sympathy, however, I can't fairly tell Lloyds to reimburse him in circumstances where I'm not persuaded it reasonably ought to have been able to prevent the payments or to have recovered them.

My final decision

For the reasons explained, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 17 October 2025.

Neil Bridge
Ombudsman