

The complaint

Miss B is unhappy Lloyds Bank PLC will not refund the money she lost as the result of a scam.

What happened

As both parties are aware of the details of the scam, I will not repeat them in full here. In summary, Miss B fell victim to a job/task scam. She was contacted via WhatsApp and offered the opportunity to complete tasks (rating hotel ads) to earn commission. She was told that to access the tasks she first needed to deposit funds. So, she made the following payments to an account in her name at an e-money institution (EMI), and from there onto the scammer. The first three payments were later refunded so do not form part of her loss.

payment	date	method	Value
1	28/06/2024	debit card	£50
2	30/06/2024	debit card	£90
3	30/06/2024	debit card	£10
4	01/07/2024	faster payment	£600
5	01/07/2024	faster payment	£1,000

Miss B realised she had been scammed when she was unable to access her commissions. She says Lloyds did not do enough to protect her money. She is also unhappy with the lack of empathy from the staff when she rang to report the scam, and with how Lloyds responded to her complaint.

Lloyds says it can't consider payments 4 and 5 under the CRM (Contingent Reimbursement Model) code as the payments were to an account in Miss B's name. She should contact the EMI. It paid Miss B £50 compensation for the poor service when she called to report the scam.

Our investigator did not uphold Miss B's complaint. He said the transactions did not have any characteristics of possible financial harm such that Lloyds needed to intervene. And as Miss B had moved the money on from the recipient account to the scammer there was no realistic prospect Lloyds could recover the money once notified.

Miss B disagreed with this assessment and asked for an ombudsman's review. She said this wasn't her fault, she was taken advantage of whilst vulnerable as she was a single parent on maternity leave. So she thought Lloyds could refund the payments as a gesture of goodwill.

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.

There's no dispute that Miss B made and authorised the payments. At the stage she was making these payments, she believed she was transferring funds to her EMI account to then

move on to allow her to access tasks as part of a job opportunity. I don't dispute Miss B was scammed and she wasn't making payments for the reason she thought she was, but I remain satisfied the transactions were authorised under the Payment Services Regulations 2017.

It's also accepted that Lloyds has an obligation to follow Miss B's instructions. So in the first instance Miss B is presumed liable for her loss. But there are other factors that must be considered.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what was good industry practice at the time, I consider it fair and reasonable that by July 2024 Lloyds should:

- have been monitoring accounts and any payments made or received to counter various risks, including 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 firms are generally more familiar with than the average customer;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;
- 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 as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

To note, as the payments were made to an account in Miss B's name, the principles of the Contingent Reimbursement Model (CRM) code do not apply in this case.

In this overall context, I do not think Lloyds can fairly be held liable for the payments. I'll explain why.

I think it was reasonable for Lloyds to process these transactions without intervention. I do not find they had characteristics that ought to have led Lloyds to conclude Miss B was at risk of possible financial harm. They were going to an existing account in her name, they did not drain the account and were not of such a value that further checks ought to have been completed.

I have then considered if Lloyds did what we would expect to try to recover Miss B's money once it was notified of the scam. As Miss B had moved the money on from her account at the EMI, there was no realistic chance of Lloyds recovering the money. So I can't say there was any failing in this regard on Lloyds' part.

Lloyds has been unable to locate the second call Miss B describes when she received poor and unhelpful service. But based on what she had told this service about that call I find the compensation Lloyds has already paid of £50 to most likely be reasonable.

Miss B is also unhappy with how Lloyds responded to her complaint. But this is not something I can look at. There is a difference between a complaint about a financial service and a complaint about how a firm has handled a complaint. I can only look at the former. Miss B's concerns about how Lloyds responded to her complaint is not a complaint

about its provision of or failure to provide a financial service – it's distinctly about complaint handling. And under our rules I cannot consider complaint handling.

It follows I am not instructing Lloyds to refund any money to Miss B. I'm sorry Miss B has lost a considerable amount of money and I can understand why she would like to be compensated for her loss. I do accept Miss B has fallen victim to a sophisticated scam. But I can only consider whether the bank, which had no involvement in the scam itself, should be held responsible for what happened. For the reasons set out above I do not find Lloyds can be held liable in the circumstances of this case.

My final decision

I am not upholding Miss B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 11 September 2025.

Rebecca Connelley
Ombudsman