

## The complaint

Mr H complains that Lloyds Bank PLC won't refund payments he made towards an investment scam.

## What happened

Mr H was the victim of an investment scam involving the following payments:

Ref	Date	Description	Amount
1	16 November 2023	Card Payment to 'skill generic.com'	−£250.00
-	22 November 2023	Credit from 'TRADING ACADEMY'	+£26.00
2	24 November 2023	Faster Payment to Kraken	−£9,900.00
3	24 November 2023	Faster Payment to Kraken	−£20,000.00
4	25 November 2023	Faster Payment to Kraken	−£5,000.00
5	25 November 2023	Faster Payment to Kraken	−£24,990.00
6	27 November 2023	Faster Payment to Kraken	−£7,000.00
7	27 November 2023	Faster Payment to Kraken	−£8,000.00
8	7 December 2023	Faster Payment to Mr H's Revolut account	−£3,500.00
9	12 December 2023	Faster Payment to Mr H's Revolut account	−£7,200.00

In summary, Mr H explained he saw an advert, involving Elon Musk and Rishi Sunak, on social media for an investment company that I'll refer to as A. He invested with a relatively small amount at first and was able to withdraw his profits. So he made further investments.

To do this, Mr H sent payments to a legitimate cryptocurrency exchange, Kraken, where they were exchanged and sent to another cryptocurrency wallet. Mr H was led to believe this would deposit funds on A's platform to invest. In fact, A's platform was fake, the investment didn't exist, and the cryptocurrency went into fraudsters' hands.

Mr H explained to Lloyds that when he asked to withdraw his profits, he was asked for numerous fees – for example, they said he'd need to pay a £10,000.00 fee, which was later reduced to £5,000.00. And to withdraw 50% of the investment, he'd need to pay half up-front.

Lloyds intervened with some of Mr H's attempted payments from 28 November 2023. Its records show calls where, after Mr H told Lloyds about the circumstances of the payments, he was told it sounded like a scam. Given his insistence in making the payment, he was referred to branch. There, he was provided with information about investment scams, but Mr H was keen to proceed – on the basis that he'd already sent a lot of money, so it was worth sending a bit more so he could access it. The branch staff said they attempted to invoke the Banking Protocol and refer the matter to the Police, but they didn't attend. Ultimately, the blocks were removed on Mr H's account, but he was told he couldn't make any

cryptocurrency-related payments.

Afterwards, Mr H tried to send money via his Revolut account. Lloyds stopped these at first, but two were successful in mid-December 2023.

Shortly after the last disputed payment, Mr H contacted Lloyds to say he'd been the victim of a scam. It said it couldn't help, as the funds were lost from his accounts with Kraken and Revolut. When Mr H complained, Lloyds upheld his complaint in part. In summary, it refunded his losses from payments 3 to 7, minus 50% to reflect Mr H's contributory negligence. For payments 8 and 9, it asked for written evidence of Revolut's response to the payments so it could investigate. Finally, it paid him £40 for how the matter affected him.

Still unhappy, Mr H brought his complaint to our service to look into. During that time, Lloyds said it would also refund payments 8 and 9 on receipt of confirmation that Revolut hasn't refunded them. It also agreed to pay 50% of payment 2 as per the investigator's recommendation.

Mr H remained unhappy – namely because he didn't agree he was equally liable for his losses from payments 2-7. The complaint has come to me to make a final decision.

For the avoidance of doubt, I've seen a mention of a loan and further payments some time after the ones he's disputed here – but this final decision only considers the payments I've referenced above. Any further payments would need to be raised separately.

### **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.

Firstly, I'm sorry to read about the scam Mr H fell victim to. Of course, the real culprits here are the perpetrators of these scams, who are very likely organised, sophisticated criminals. But my role is to decide the extent to which it's fair to hold Lloyds, as his bank, responsible.

Having considered the matter carefully, I'm persuaded that the way Lloyds has agreed to put things right is fair here – and that it's reasonable to deduct 50% for payments 2 to 7 to reflect Mr H's contributory negligence as well as refund Mr H in full for payments 8 and 9, on provision of evidence that Revolut hasn't done so. In saying that, I've noted:

- While I agree Lloyds should've stepped in sooner, I'm mindful that it's speculative that an earlier intervention would've stopped Mr H going ahead with the payments. That's based on the evidence we do have – that Mr H was insistent on continuing with the payments, finding workarounds to make them, despite the lengths Lloyds went to show him he was being scammed. So I'm minded to think that Lloyds has given him the benefit of the doubt here, in saying that an earlier intervention would've made a difference.
- I appreciate how Mr H was taken in by the scam, given how it was promoted and the sophistication of the scam. But I think he ought reasonably to have questioned the fees he was being asked to pay, particularly as he was able to make a withdrawal simply at first, and he was then asked for very significant amounts upfront.
- I've also noted that, despite Lloyds' warnings, Mr H carried on making the payments. He's said that was out of curiosity and genuine expectation that he'd be able to make a withdrawal. But it seems Lloyds had shown him how this was part of a scam. So I

think he was – to some extent, recklessly – taking a chance with these payments. And yet, Lloyds has agreed to refund these in full on provision of written evidence that Revolut hasn't already done so.

Taking this all into account and looking at the matter in the round, I'm satisfied the way Lloyds has already agreed to put things right here is a fair and reasonable outcome to Mr H's complaint.

### **Putting things right**

I understand that Lloyds has already refunded 50% of payments 3 to 7. If it's not done so already, it must also pay Mr H 50% of payment 2 alongside 8% simple interest per year from the date of the payment to the date of settlement (less any tax lawfully deductible).

I note our service has been provided with written evidence from Revolut that Mr H hasn't received any money back from payments 8 and 9, which will be shared with Lloyds as part of this decision. I'm persuaded it is satisfactory evidence so that Lloyds can make the payments it's agreed to. It follows that Lloyds must also refund payments 8 and 9 alongside 8% simple interest per year from the date of the payment to the date of settlement (less any tax lawfully deductible).

### **My final decision**

For the reasons I've explained, I uphold Mr H's complaint and Lloyds Bank PLC must put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 21 March 2025.

Emma Szkolar  
**Ombudsman**