

The complaint

Miss L complains that Lloyds Bank Plc trading as Lloyds Bank didn't do enough to prevent her from losing money to a scam.

Miss L has used a representative to help with her complaint. But, for ease of reading, I'll mostly just refer to Miss L herself where I also mean the representative.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Miss L was introduced to a merchant by a third-party. She was added to a group chat where brokers and members of the merchant would provide advice and stories about how people were making profits from investing with them. Miss L says the chat messages went back as far as 2020 which gave her the illusion the merchant was genuine. Miss L says she completed her own research online as well as speaking to people who had already invested.

As a result of the alleged scam Miss L made a large number of debit card payments and transfers from her Lloyds account. These took place over an extended period of time. Miss L's letter of complaint recorded that this was between August 2021 and August 2022. The payments all went to various cryptocurrency exchanges, they ranged in value from around £20 up to around £3,950 and together totalled around £24,000. During a broadly similar time period Miss L also received significant credits that were linked to her 'investment' back into her account.

Miss L realised she had been scammed when she was no longer able to recover any further funds. So, she raised a claim with Lloyds. But Lloyds didn't think they'd done anything wrong, and they didn't offer her a refund. Miss L brought her complaint to this service.

One of our Investigators didn't recommend the complaint should be upheld. In summary, he didn't think Lloyds could fairly be said to be responsible for Miss L's loss. Miss L disagrees and has asked for an Ombudsman to review her complaint.

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 outcome as our Investigator and for similar reasons. I know this will be disappointing for Miss L, so I'll explain why.

It isn't in dispute that Miss L made the payments relevant to this complaint. And I understand these were used to purchase cryptocurrency which was then sent on and lost. So the starting point is that Miss L will usually be responsible for payments she's made herself. But,

Lloyds should also be alert to the possibility of fraud, scams and the misappropriation of funds and should do what they reasonably can to protect their customers from the same. I also think that it's reasonable there is a level of proportionality as to when Lloyds should intervene and to what extent. They can't be involved in all payments and there is a balance to be struck between stopping and checking payments and allowing customers ready access to their funds. I also need to keep in mind that the payments in this case took place in 2021 and 2022. The expectations on banks with regard to fraud and scam prevention have generally increased over time. But it wouldn't be fair for me to apply today's standards to Lloyds' actions that took place three or more years ago. My decision should be interpreted in that context.

I've reviewed Miss L's account history prior to when she made the payments she's complaining about. Having done so, I don't think the payments relevant to this complaint would've stood out as so unusual or suspicious at the time where I could fairly say that Lloyds ought to have done more than they did before processing them (or that they should've blocked and otherwise have done more for the card payments). I say this because Miss L had previously made payments of broadly similar amounts, some of which our Investigator has already highlighted. The payments themselves were also spread out over around a year, with no apparent urgency to them. And overall, I don't think Lloyds were at fault for processing the payments in line with Miss L's instructions.

I appreciate that Lloyds have said they asked Miss P the purpose of her first transfer to one of the cryptocurrency exchanges 'P' and that they would've shared a warning before it was sent. Due to the passage of time they haven't been able to provide more detail than this. The first payment Miss L made to P was for £300 in September 2021. And in that context, I wouldn't have expected Lloyds to have intervened in it had they not done so. And whilst I can't know for sure what the warning looked like, I think it's more likely than not that it was a proportionate response to the risk presented by the £300 payment. It doesn't persuade me that I could say there was a failure on this point such that this complaint should be upheld.

For completeness, the Lending Standards Boards Contingent Reimbursement Model (CRM Code) was in place at the time of the payments and Lloyds were a signatory to it. But it specifically didn't apply to payments to someone's own account (such as Miss L's cryptocurrency exchange accounts) or to debit card payments. So for those reasons, it can't be used as a basis to require more from Lloyds.

Similarly, as all the payments went to cryptocurrency which Miss L says was lost to the scam, I don't think there was any reasonable prospect of Lloyds successfully recovering them. So, I can't say anything they did or didn't do in this regard had an impact.

I'm of course sorry to hear Miss L lost the money she did. But as I don't think this is something Lloyds are responsible for, there isn't a reasonable basis upon which I can require them to do more to resolve this complaint.

My final decision

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 27 October 2025.

Richard Annandale

Ombudsman