

The complaint

Mr and Mrs M complain Lloyds Bank Plc didn't do enough to protect them when they fell victim to what they believe to be an investment scam.

What happened

Between January and May 2024, Mr and Mrs M made debit card payments totalling over £10,000 from their Lloyds account to what they now believe to be an investment scam.

Mr and Mrs M say that, having seen adverts online, they contacted a forex broker, which I'll refer to as 'C'. C used a trading platform provided by another associated company, which I'll refer to as 'S'. Mr and Mrs M say C promised guaranteed and unrealistic returns if they purchased a training package and trading software from S. But having made the payments, including a recurring monthly subscription fee, Mr and Mrs M say they lost all their funds and believed they'd been scammed.

Having unsuccessfully tried to recover their lost funds from Lloyds, Mr and Mrs M referred a complaint to the Financial Ombudsman via a professional representative ('R'). Our Investigator didn't uphold the complaint as he was not persuaded Mr and Mrs M had lost money to a scam, and even if they had he was not persuaded that Lloyds ought to have intervened or prevented their loss.

R disagreed and pointed to evidence that it considered demonstrated S was operating a scam. For example, it set out that S offered "guaranteed returns" with "no risk" which no legitimate investment could promise; customer testimonials on S' website were from individuals that appeared to have no other online presence; Mr and Mrs M were provided with access to a platform where they could watch their trades, but had no ultimate control over their funds; and S refused to allow Mr and Mrs M to withdraw their investment and made excuses to encourage them to continue investing. It considered there was compelling evidence that S was operating a scam and that Lloyds ought to have intervened and prevented Mr and Mrs M's loss.

The case was therefore passed to me to decide. Before reaching this decision, I reached out to R to ask it to clarify a number of facts relating to Mr and Mrs M's complaint. Specifically, who the alleged scam company was, as reference had been made to several businesses with similar sounding names. And why Mr and Mrs M believed they had been scammed, as their testimony had not been consistent about what happened. I also asked for evidence to support that Mr and Mrs M had been prevented from making a withdrawal.

The deadline for Mr and Mrs M to provide a response to my questions has now passed. R has said that despite multiple efforts to follow up with Mr and Mrs M they have remained unresponsive. R has acknowledged that as the deadline for a response had now passed, I would proceed to issue a final decision. In the circumstances, I am satisfied Mr and Mrs M have had a reasonable opportunity to provide answers to my questions and evidence to support their complaint. Therefore, to be fair to all parties, I'm satisfied I can reasonably proceed to deciding this 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'm not upholding this complaint and for largely the same reasons as our Investigator.

It appears to be accepted by all parties that Mr and Mrs M properly authorised the payments from their Lloyds account. Under the Payment Services Regulations 2017, Mr and Mrs M are presumed liable for payments they have properly authorised from their account.

There are however circumstances where, taking into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, banks ought to make additional checks before processing payments if it had reason to suspect that its customer was at risk of financial harm from fraud. But these expectations are based on the assumption that a fraud or scam has occurred.

Not every complaint referred to us as a scam is in fact a scam. And it is for Mr and Mrs M to demonstrate that they lost money to a scam, rather than Lloyds to disprove this point.

Having carefully considered the information presented in support of this complaint, as well as having carried out my own research, I am not persuaded, on balance, Mr and Mrs M have lost money to a scam. I'll explain why.

As noted above, to date, Mr and Mrs M have not confirmed exactly which company(s) they were dealing with, in what capacity, and why they consider they have been scammed. And much of what they have said has not been substantiated with evidence. Most significantly, I have been provided with no evidence that they have been unable to withdraw funds they were otherwise entitled to.

As part of the submissions in support of this complaint, I have been provided with links to Financial Conduct Authority (FCA) warnings about companies with names that are similar to C and S, but do not appear to relate to C or S. One of the FCA warnings expressly states that it does not relate to C.

Having carried out my own research, it appears that C and S are legitimate companies that have been operating for a number of years. C is registered on Companies House, having been incorporated in April 2015, and is registered and authorised by the FCA. S appears to be a legitimate company which offers trading software, for an upfront fee plus an ongoing monthly subscription fee.

While I can see there are negative reviews online about both C and S, this is not enough to demonstrate that either company was related to, or indeed operating, a scam. To reach such a conclusion, I would need to be persuaded, on balance, that the company was receiving funds for fraudulent purposes, which I have not found here.

Further, it is unclear from Mr and Mrs M's testimony, which has changed over time, what they consider went wrong, and why they believe C and/or S have not fulfilled the agreement they entered into.

When Mr and Mrs M first contacted Lloyds for help recovering their lost funds, they explained they had been enticed by a promotion offered by C, where the first five people to register would get £10,000 funding. Mr M later discovered that he had to purchase software, costing £5,064 and a training pack, costing £5,000. He was also paying a monthly fee to go

through training. Mr M later found that due to work commitments he was unable to commit to a training schedule and asked for a refund which was refused.

When referring their complaint to the Financial Ombudsman, Mr and Mrs M explained that having paid for the trading software and training package, they then funded their trading account with £10,000, but later “lost it all” and were refused a refund as they had started using the training package.

When responding to our Investigator’s questions, R stated that Mr and Mrs M “sent over £10,000, which was meant as an investment to put into the platform, not a payment for the training course.”

Having received no clarification from Mr and Mrs M about the purpose of the payments to S, and whether that purpose was achieved, and if not why not, I can’t reasonably conclude that S was operating a scam. Indeed, it seems most likely based on the currently available evidence that Mr and Mrs M may have a dispute concerning the trading software and/or the training package, and their rights to a refund, but this would not amount to a scam.

In summary, without clear evidence to show how and why Mr and Mrs M lost money, I am unable to safely conclude they have been scammed. As such, there would be no grounds on which I could require Lloyds to reimburse their losses.

My final decision

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr and Mrs M to accept or reject my decision before 14 August 2025.

Lisa De Noronha
Ombudsman