

The complaint

Miss S complains that Lloyds Bank PLC will not refund money she says was lost to a scam.

Miss S is represented by a firm, but for ease I have only referred to Miss S in this decision.

What happened

The details of this complaint are well known to both parties so I won't repeat it all again here. In summary In July 2023 Miss S made several payments totalling £2,112 towards what she thought was a genuine investment opportunity. When Miss S wanted to withdraw from the investment she was told to pay fees. After paying the initial fee she was asked to make further payments and it was at this point she realised it had been a scam. Miss S reported the matter to Lloyds but it did not refund the money she lost or uphold her complaint.

Our investigator didn't think the complaint should be upheld. He didn't think the payments were particularly unusual or suspicious in appearance to Lloyds considering Miss S's normal account and payment activity. Our investigator said he did not expect Lloyds to have intervened.

Miss S didn't accept our investigator's opinion, as such the complaint has been passed to me for a final 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.

Having done so, I agree with our investigator's outcome and for similar reasons. I know this will be disappointing, I'll explain why.

Taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice, Lloyds should take steps to identify and where possible prevent sufficiently unusual or uncharacteristic payments to help protect its customers from financial harm resulting from fraud.

Even so, I think it is important to also highlight that there are many payments made by customers each day, and it is not reasonable to expect the bank to stop and check every payment instruction to try to prevent fraud or financial harm. There's a balance to be struck between the extent it intervenes in payments to protect customers, without unnecessarily disrupting legitimate payment instructions. And while banks ought to be aware that cryptocurrency related transactions carry a greater risk of fraud, that does not mean that all payments for the purchase of cryptocurrency are in fact fraudulent.

Having reviewed Miss S's account activity, I don't find any of the payments were sufficiently uncharacteristic or unusual for them to have caused Lloyd's concern. This is because, Miss S made payments of similar amounts in the months prior to the scam. The payments were not made in quick succession which commonly occurs where a scam is involved, rather the

payments were mostly made days apart. When considered in the context of the vast number of payment instructions Lloyds receives, I don't find any of the payments were of significant value to have raised suspicion.

I understand that Miss S has challenges with her health and says the bank should have been aware of this at the time, however I can't see that it was made aware this. Nevertheless, given the circumstances and the information it had available, I do not think there was enough going on to have caused Lloyds concern that she might be at an increased risk of financial harm from fraud and trigger its fraud prevention systems.

The payments were made to a legitimate merchant and a service provided, therefore I'm not persuaded there were any prospects of recovering the funds.

For the reasons I've given, I don't find Lloyds is responsible for the loss, so I don't require it to reimburse Miss S.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 9 October 2025.

Oluwatobi Balogun
Ombudsman