

The complaint

Mr and Mrs S have complained that Lloyds Bank PLC (Lloyds) won't refund money they lost to a scam.

What happened

Between 1 April and 8 July 2024 Mr S made 10 debit card payments totalling £22,682.05, 33 faster payments totalling £104,653.00, and received two credits totalling £630.51.

The details of the complaint are well known to both parties, so I will not repeat them again here. Instead, I will focus on giving the reasons for my decision.

On 16 September 2025, I issued my provisional findings where is said the following:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Banks have various and long-standing obligations to be alert to fraud and scams and to act in their customers' best interests. These are predicated on there having been a fraud or scam. So, a first consideration in determining Lloyds obligations here would normally be:

- was Mr S scammed as he alleged and to establish the loss he suffered.*

And while I don't dispute Mr S' version of events, our service has asked Mr S' representative (R) on several occasions to provide further evidence. I want to highlight at this stage I haven't overlooked Mr S' difficult circumstances, or the challenges he may face obtaining certain evidence.

However, given the circumstances of this complaint and how the scam evolved, I don't think it is unreasonable to conclude that Mr S would be able to provide us with further evidence such as full conversations with the scammer, so that we can understand the dynamics of the scam. Proof of subsequent loss and source of the funds used for the disputed transactions. Mr S said the first disputed payment from Lloyds into the scam was on 2 April 2024.

However, we have only been provided with limited scam messages that start from 13 May 2024, almost six weeks after the initial disputed payment. And inexplicably ends on 10 June 2024, which is two weeks before the final disputed payment.

Based on the significant value and volume of payments during the period, it is unlikely that there was no communication with the scammer before 28 April and after 10 June 2024. On more than one occasion we have requested from Mr S' representatives a full downloaded copy of all messages between Mr S and the scammer. Including messages before 13 May and before 2 April, when the first disputed payment was made.

However, the only response we have received from R, was to resend the messages it had already sent previously to our service. It is important to note that the three group messages also start from 28 April, and it doesn't appear that Mr S was an active member in these group messages, as his name is not mentioned. So, I am unable to follow Mr S' journey and it still remains unclear how the scam occurred.

Due to the missing evidence it's difficult to understand the dynamics between Mr S and the scammer. Most notably what was discussed regarding the scam, in order to give Mr S a reasonable basis of belief to make the disputed payments and the scammer providing Mr S with several crypto wallets to make the payments. It is reasonable to conclude and widely accepted by our service, that scammers usually provide wallet addresses in writing to avoid errors being made (due to the long addresses) and money being sent to the wrong wallet. Despite our requests for further information, R has also failed to provide further evidence of the loss as a result of a scam, such as scam conversations demonstrating the scammer provided Mr S with the details of where to send the funds to. And Mr S' crypto currency statements showing the funds being transferred to the aforementioned wallets or evidence the funds were lost to the alleged scammer.

I say this because the record shows that Mr S' initially stated he was using the Crypto account for genuine investments plus the scam simultaneously. And that he did not receive any credits from the scam. However, he has since said this is not the case and that all payments went directly to the scammers. And that the credits received are the balance he brought back from his crypto account that he didn't send.

We have asked R for further evidence to clarify this, however R have only provided a spreadsheet for Mr S' Crypto account. After reviewing the spreadsheet, I note Mr S has made several withdrawals to several different wallet addresses. Which is common with crypto trading also known as P2P (Peer to Peer). As Mr S was also investing in crypto outside of the disputed payments and without evidence of the scammer providing Mr S with the addresses, I can't be satisfied who these wallets belong to. Ultimately, due to the limited evidence and conflicting testimony, I can't establish Mr S' loss.

As such, I haven't seen anything to specifically show that the crypto transactions in question were carried out in relation to a scam. I've considered Mr S' testimony and while I can only be satisfied that he made the transactions on his account, I can't be satisfied that the ultimate beneficiary of the disputed funds was to the scammer.

As I have explained above, even if I were to be satisfied Mr S had fallen victim to a scam, I'm unable to establish the actual loss he claims to have suffered. This is because I'm not satisfied the source of funds used in relation to some of the disputed transactions has been addressed or evidenced. Nor can I be satisfied that Mr S didn't benefit from some of the transactions.

I say this because initially Mr S had declared:

"I already had the money in this account, moved money from another of my bank accounts, Borrowed from friends / family, Money from savings accounts"

When we asked Mr S' representatives to elaborate on this, on 25 November 2024, R advised us differently:

"There were no funds borrowed from friends and family"

However, having looked at Mr S' bank statements, it shows that he was using his overdraft facility in the months leading up to the scam and only exited the overdraft following several unexplained large and significant credits from a third party.

These funds were immediately used by Mr S to make similar value payments into his crypto accounts and external bank account.

Having looked on companies house I can see that at the time of the payments; Mr S was listed as one of six directors of the third party. I also note that he resigned as one of the directors in March 2025, so is no longer an active director.

When we have asked R to evidence and elaborate on the purpose of these credits and if Mr S was investing on behalf of the third party for personal reasons, R has failed to provide a further response. And without being able to establish the source of funds, the loss actually suffered (if any) and if Mr S or the business are the actual victims of the loss, I can't fairly or reasonably direct Lloyds to refund Mr S the disputed transactions.

It is important to note that the evidence provided demonstrates that Lloyds intervened 11 times at the appropriate points in the scam journey and spoke to Mr S before payments 12, 13, 15, 17, 18, 19, 23, 26, 27, and 28, which also involved a branch visit.

Banks are dependent on customers being open and honest with them by answering their questions truthfully during these interactions to help them identify potential scams. Unfortunately, the record shows that Mr S didn't provide accurate information to Lloyds, which limited Lloyds's ability to protect his funds. Despite providing relevant warnings and education verbally, Mr S decided to continue with the payments.

The above isn't an exhaustive list of the inconsistencies or actions Mr S took which he hasn't been able to shed further light on, or how the other available evidence contradicts what he told us. And while I have taken into consideration Mr S may have been under the spell of the scam, I think the amount of inconsistencies or events which are unexplained, despite being given the opportunity to present further information, I can't fairly determine what has happened. As such, it follows, I can't ask Lloyds to do anything further.

Finally, Mr S' representative says, that Mr S' wife was undergoing cancer treatment, and he had recently lost his mother-in-law. And because of this, Lloyds shouldn't have followed his payment instructions. However, whilst I have sympathy for Mr S' situation, I haven't seen anything which makes me think Lloyds ought to have picked up on anything significant to highlight his vulnerabilities that would impact on his decision making during their conversation with him. And so, in these circumstances, I can't fairly find Lloyds is responsible for Mr S' reported loss on this basis.

Therefore, it follows, I won't be asking Lloyds to do anything further.

My provisional finding

My provisional decision is that I don't uphold this complaint."

Lloyds didn't respond to my provisional findings. Mr and Mrs S did via their representative, who sent further information for me to consider.

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 the investigator's findings for broadly the same reasons, I will explain why.

I am satisfied from the new information provided despite the full scam chat still not being provided, that a scam occurred. However, we still haven't been provided with Mr S's crypto statements or evidence the cryptocurrency exchanges have refused to provide the PDF

versions. As such, it is still unclear to establish the loss Mr S incurred (if any) in its entirety, or to establish ultimate beneficiary of the disputed funds was to the scammer.

Again, while Mr S has been able to provide screenshots to substantiate the source of funds, for some of the transactions but again, it doesn't provide a clear picture of all transactions. So, this alongside some of the inconsistencies or events which are unexplained, despite being given the opportunity to present further information, I can't fairly determine what has happened.

In any event, as per my provisional findings, I have considered what I would have decided if the loss and source of funds could have been clarified in totality, and on balance I am satisfied Lloyds intervened 11 times at the appropriate points in the scam journey and spoke to Mr S before several payments. As explained in my provisional findings one of these interventions also involved a branch visit.

Banks are dependent on customers being open and honest with them by answering their questions truthfully during these interactions to help them identify potential scams. The evidence provided shows that Mr S didn't provide accurate information to Lloyds. Therefore, this limited Lloyds's ability to protect his funds. Despite providing relevant warnings and education verbally, Mr S decided to continue with the payments. Therefore, as per my provisional findings I can't hold Lloyds responsible for this.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 26 December 2025.

Jade Rowe
Ombudsman