

The complaint

A trustee of a trust, which I'll refer to as S, complains that Lloyds Bank PLC hasn't reimbursed it after it was the victim of a scam.

What happened

In early 2024 the trust started researching suppliers to send goods overseas as part of the work the trust carries out. It found a website that supplied the type of goods S needed to send and contacted them. This supplier put S in touch with a shipping company it said could deliver the goods. Unfortunately, both companies had been impersonated by scammers.

Once S believed it had paid for goods and paid for them to be shipped, the scammers started asking S for further payment. They gave S various different reasons as to why it needed further payment, for example, container deposits, taxes, insurance and checks that needed to be carried out before the goods could be delivered.

In total, S sent the following payments to scammers:

Date	Transaction	Amount
3 April 2024	International transfer	£1,755.48
9 April 2024	International transfer	£1,159.04
17 April 2024	International transfer	£2,441.33
19 April 2024	International transfer	£3,298.15
25 April 2024	International transfer	£5,017.16
2 May 2024	International transfer	£3,774.91
8 May 2024	International transfer	£4,587.56
22 May 2024	International transfer	£4,112.35
28 May 2024	International transfer	£3,235.96
17 June 2024	International transfer	£6,076.39
18 June 2024	International transfer	£8,247.24
21 June 2024	International transfer	£2,604.85
28 June 2024	International transfer	£3,301.48

Total		£49,611.90
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After the last payment was made, scammers stopped responding to S and it realised it had fallen victim to a scam. S contacted Lloyds on 30 August 2024 and it contacted the recipient's bank but unfortunately no funds remained to be returned to S.

Our investigator considered the complaint but didn't think Lloyds had missed an opportunity to prevent the scam, so they didn't think it wasn't liable for S's loss. S didn't accept this as it felt Lloyds should've done more to intervene when the payments were being made.

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.

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And I have taken that into account when deciding what's fair and reasonable in this case.

However, taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider Lloyds should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before it processed a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

Having carefully considered the activity on S's account while it was making payments to scammers, I don't think any of the payments would've seemed significantly unusual enough that Lloyds ought to have intervened.

Generally, the trust didn't make many payments out of the account, and the payments it did make were typically no more than around £2,500. So there was a change when it started to make regular payments out of the account to a third party. However, the trust was seemingly set up to take donations and send supplies overseas. I think it's reasonable to expect this would likely include making infrequent, large payments out of the accounts to new, and international, payees once donations had been received. So I think the activity on the account broadly matches the type of activity that would be expected.

The majority of the payments paid to scammers were broadly in line with the amounts previously made out of the account. And I don't think any of the individual payments made to scammers were for amounts so high that the amount alone should've prompted intervention from Lloyds. The payments didn't empty the account and weren't made in quick succession as you'd typically expect to see in a situation where a scammer has access to an account somehow. The payments were made over a period of around three months and the closest were made at least one day apart. So I don't think the amounts paid out, or the pattern of payments should've alerted Lloyds to the problem as I don't think they follow the typical signs of fraud it would've been on the look out for.

S has said Lloyds should've found the payments of over £6,000 and £8,000 significantly unusual enough to intervene. But I don't agree. Any account holder might make slightly higher than usual payments from time to time. Especially, as in this case, the nature of the account is to make significant purchases from time to time once donations have been received. It isn't reasonable to expect a bank will intervene every time any customer makes a higher than typical purchase, the bank has to balance its obligations with not unreasonably obstructing the use of its customers' accounts. I don't think any of the payments are unusual given the account balance and the type of work the trust does and as I've explained the amount of the payment alone isn't the only factor when banks are considering whether activity is an indication of fraud.

I'd add that even if Lloyds had concerns about the payments of around £6,000 and £8,000 because they were slightly higher payments, by the point these two payments were made, there was an established pattern of payments to the same beneficiary that spanned over two months. Overall I don't think any of the payments reasonably ought to have prompted intervention from Lloyds.

Once S informed Lloyds it had been the victim of a scam I can see it did what I would've expected and contacted the beneficiary's bank to try and recall the funds. I've seen the beneficiary bank's response which confirmed unfortunately no funds remained in the account to return to S.

It's unfortunate S has been the victim of a scam in this case and I appreciate S has set out the reasons it believes the scam would've been uncovered if Lloyds had intervened. But as I don't think Lloyds reasonably ought to have intervened, I don't think it missed an opportunity to prevent the scam. Because of this I don't think it's liable for S's loss.

My final decision

I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 9 January 2026.

Faye Brownhill
Ombudsman