

## The complaint and background

Mr U complains Lloyds Bank PLC (Lloyds) won't reimburse £2,740 that he lost when he fell victim to a cryptocurrency investment scam.

Our investigator didn't uphold the complaint. She didn't think that Lloyds were at fault for processing the four payments in accordance with Mr U's instructions when taking into account his prior account activity – which included non-disputed payments to the same cryptocurrency account. She also explained she wouldn't have expected them to intervene as the pattern or payments weren't consistent with fraud and their values did not indicate a heightened risk of financial harm.

Mr U's representatives disagreed explaining that Lloyds had failed in their duty to ask probing and relevant questions of him and to provide him with effective scam warnings which he deserved. They maintained the payments were very unusual for Mr U given their size in value and because the payee had links to crypto. They also said Mr U was the victim of a previous similar scam and Lloyds should have been aware of this and protected him.

Our investigator provided a further response explaining that Mr U had an established cryptocurrency account which was already being used prior to this scam. She also said Mr U had a history of making payments to this crypto account alongside other trading platforms. As such she wouldn't have expected Lloyds to consider the four disputed transactions as suspicious. She reiterated that the pattern of payments wasn't consistent with fraud and their values didn't indicate a heightened risk of financial harm. The investigator's outcome remained unchanged.

Mr U's representatives still disagreed and asked for the matter to be referred to an ombudsman for a decision. In doing so it also said the payee was high risk and known to be associated with scams of this nature and they ought to have provided an effective intervention.

I issued my provisional decision last month explaining that I don't uphold this complaint. I set out the following reasoning:

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

*Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, Lloyds ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.*

*I have reviewed Mr U's account and the payments he made to the scam. Having considered when they were made, their value and who they were made to, I'm not persuaded Lloyds ought to have found any of the payments suspicious, such that it ought to have made enquiries of Mr U before processing them. The four disputed*

*transactions were carried out across four separate days spanning a period of several weeks with the largest individual payment of £1,000. The payment values were in keeping with Mr U's historic account usage. I accept the payments were to a crypto provider, but that doesn't mean payments should automatically be treated as suspicious. The payee was an established one at the time of the disputed transactions and I'm not satisfied there were any other concerning factors about the payments.*

*I have also considered a further point raised by Mr U's representatives. It explained he'd been the victim of a previous similar scam and Lloyds should have been aware of this. Therefore, it ought to have protected him from the losses that occurred as part of this complaint.*

*The evidence provided by Mr U's representatives – which include his scam chat history, does show him mentioning directly to the scammers that he had fallen victim to a previous similar scam. But I've seen no evidence that Mr U reported this to Lloyds at the time, nor have any specific details about this been provided by Mr U's representatives. I cannot disregard that Mr U's account has been utilised for other crypto transactions and trading platforms historically. In fact, Mr U's representatives' have also explained he 'has traded in cryptocurrency before the scam and continues to trade in cryptocurrency...'. But even if I accepted Lloyds was aware he had fallen victim to an earlier scam, I'm still not satisfied that meant Lloyds ought to have made enquires of him before processing any of the four disputed transactions, for the reasons already explained.*

*Whilst Mr U has undoubtedly been the victim of a cruel scam, I don't find there were any failings on Lloyds' part that would lead me to uphold this complaint.*

*Lastly, I note that Lloyds apologised and paid £40 to Mr U (via his representative) in recognition of the delay in responding to his claim and complaint. I don't consider there to have been anything specifically about the way in which Mr U's claim was handled that would warrant compensation beyond what it has already paid. Therefore, I'm satisfied that Lloyds' resolution was fair and reasonable.*

I invited further comments from both parties.

Both parties acknowledged receipt of the provisional decision with no further comments provided. Mr U's representative's confirmed that he rejects this 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.

As neither party has provided any further comments for me to consider, I don't see any reason to change the outcome reached in my provisional decision.

### **My final decision**

For the reasons given above, and in my provisional 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 Mr U to accept or reject my decision before 17 June 2025.

Mark O'Connor  
**Ombudsman**