

## **The complaint**

Mr A complains that Lloyds Bank PLC won't refund payments he made as part of a scam.

## **What happened**

- Mr A was the victim of an investment scam involving twelve payments from his Lloyds account between 28 August 2024 to 11 September 2024. These went to five payees for amounts between £300.00 and £1,000.00 – totalling £6,270.00.
- These payments were to purchase cryptocurrency via peer-to-peer services and a cryptocurrency exchange. The funds were then sent to fraudster's wallets under the guise that they'd be invested on their platform or used to pay fees so Mr A could withdraw his profits. In fact, the investment and associated fees were fake.
- When Mr A disputed the transactions with Lloyds, it declined to refund him – and it didn't uphold his subsequent complaint. In summary, it said he didn't do enough to protect himself from the scam and it did what it could to protect him.
- Still unhappy, Mr A brought his concerns to our service to investigate via his professional representatives. Our investigator didn't consider that Lloyds acted unfairly, because they weren't satisfied that the nature of the transactions meant it should've done more to intervene with the payments.
- Mr A's representatives disagreed, so the complaint has been passed to me to make 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 the investigator's conclusions for the following reasons:

- It's not disputed that Mr A was the victim of a cruel scam. My role is to consider whether it's fair to hold Lloyds, as his bank, responsible for his losses from the scam. There are various rules and codes that mean victims of scams ought to be refunded in some circumstances. But to be clear, there isn't an overarching, general expectation that banks ought to refund victims of scams.
- For payments like those disputed here, the starting position is that he's liable for his losses, given that it's accepted he authorised them. However, I have also considered whether Lloyds ought to have identified that the payments were suspicious and stepped in before they were made.

- Here, Lloyds asked Mr A about the purpose of some of the payments – for which he answered ‘investment account or fund’ and ‘moving my money’ – and he was shown written warnings about scams of this nature. Accordingly, I’ve considered whether this was reasonable and proportionate given the circumstances of the payments.
- The values ranged between £300 and £1,000.00 and the most that was sent to a single payee was £2,600.00. While this must have been a lot for him to lose, I’m mindful of the volume of payments of this size that a bank like Lloyds processes and the impracticalities of stopping payments like these.
- I’ve noted that the payments happened over nearly two weeks and went to five different payees – so I don’t think the frequency would’ve appeared alarming.
- I’ve also considered that most of the payees related to peer-to-peer cryptocurrency purchases, so it wouldn’t have been clear they were related to cryptocurrency (which tends to carry an elevated risk of fraud). And while Lloyds would’ve known from other payments that they were either connected to cryptocurrency or an investment, I think it’s fair for Lloyds to take into account a range of factors in deciding whether to intervene further. And given the other circumstances I’ve set out, I’m not satisfied this is enough to say that Lloyds acted unfairly in not intervening further.
- Lloyds, like all banks, has to balance protecting Mr A from fraud with its legal duty to make the payments he tells it to. And, while we now know how these payments related to each other, it’s important to highlight that Lloyds weren’t privy to this information at this time. It follows that I don’t think it was unreasonable that it processed these payments in line with the instructions without completing further checks than the written warnings it gave.
- As well as whether Lloyds ought to have prevented his losses, I’ve considered whether it could have done more to recover them. But it appears that the payments didn’t go directly to the fraudsters – instead they were to purchase genuine cryptocurrency. So I don’t think Lloyds could’ve recovered these as fraudulent.
- I appreciate this will be disappointing news for Mr A, particularly as he’s ultimately a victim in this situation. But for the reasons I’ve explained, I’m not satisfied I can reasonably hold Lloyds responsible for his losses.

### **My final decision**

For the reasons I’ve explained, I don’t uphold Mr A’s complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr A to accept or reject my decision before 11 February 2026.

Emma Szkolar  
**Ombudsman**