

The complaint

Miss F is unhappy Lloyds Bank PLC will not refund the money she lost as the result of a scam.

Miss F brought her complaint through a representative. For ease of reading, I will refer solely to Miss F in this complaint.

What happened

As both parties are aware of the details of the scam, I will not repeat them in full here. In summary, Miss F fell victim to a job/task scam. She was contacted via WhatsApp and offered the opportunity to complete tasks (promoting travel packages) to earn commission. She was told that to access the tasks she first needed to deposit funds. So, she made the following payments:

payment	date	value in £
1	18/11/2024	16
2	19/11/2024	26
credit	19/11/2024	-146.40
3	21/11/2024	140
4	22/11/2024	430
5	22/11/2024	588
6	22/11/2024	10
7	22/11/2024	10
8	22/11/2024	10
9	22/11/2024	1,210
credit	23/11/2024	-1,130
10	25/11/2024	1,239.08
11	26/11/2024	2,550
blocked	26/11/2024	-2,350
blocked	26/11/2024	-2,350
12	26/11/2024	2,350

Payments 1 to 9 were faster payments to an account at an e-money institution (EMI) in Miss F's name; 10 and 11 were by debit card to an account in Miss F's name at crypto currency exchange and payment 12 was a faster payment Miss F sent to her partner. All money was then sent on from those three recipient accounts to the scammer. Miss F said Lloyds did not do enough to protect her money.

Lloyds intervened at the time of payment 11 and spoke to Miss F. After Miss F complained it reviewed the call and said it was not good enough, a clear job/task scam warning should have been given. As this would most likely have prevented Miss F making payments 11 and 12 it refunded £4,900, adding interest as we would instruct, and £50 compensation for the

distress its failing caused.

Our investigator said this was a fair outcome, indeed maybe more in Miss F's favour than our approach would be as Miss F could also have done more to prevent her loss.

Miss F disagreed with this assessment and asked for an ombudsman's review. She said Lloyds ought to have intervened in payments 9 and 10. She said whilst the values were not out of character, payment 10 was to a cryptocurrency exchange and there was clear evidence in her messaging with the scammer that she was becoming aware of the scam at this stage. And payment 9 was the start of a change in the value and frequency of the scam payments.

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.

There's no dispute that Miss F made and authorised the payments. At the stage she was making these payments, she believed she was transferring funds to her EMI account to then move on to allow her to access tasks as part of a job opportunity. I don't dispute Miss F was scammed and she wasn't making payments for the reason she thought she was, but I remain satisfied the transactions were authorised under the Payment Services Regulations 2017.

It's also accepted that Lloyds has an obligation to follow Miss F's instructions. So in the first instance Miss F is presumed liable for her loss. But there are other factors that must be considered.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what was good industry practice at the time, I consider it fair and reasonable that by November 2024 Lloyds should:

- have been monitoring accounts and any payments made or received to counter various risks, including 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 firms are generally more familiar with than the average customer;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

In this overall context, I do not think Lloyds can fairly be held liable for any of the payments prior to payment 11. I'll explain why.

I think it was reasonable for Lloyds to process transactions 1-10 without intervention. I do not find they had characteristics that ought to have led Lloyds to conclude Miss F was at risk of possible financial harm. Up until payment 10 they were going to an account in her name, they did not drain the account and were not of such a value that further checks ought to have

been completed. Whilst payment 10 was to an account in Miss F's name at a cryptocurrency exchange, I still do not find that warranted further checks at this stage. It was a legitimate exchange, and the value was not out of character for Miss F's account. A pattern typical of scam payments had not emerged by this stage. She had made a faster payment out for £10,100 earlier that month and previously made multiple payments out on the same date.

Miss F argues that there was clear evidence in her communications with the scammer that she was becoming aware of the scam at the time of payments 9 and 10 which should have also prompted further scrutiny. But Lloyds did not have sight of the messaging and would not have been aware of this – she had the knowledge and doubts to stop the scam at this point, not the bank.

There is a balance to be struck by banks between identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments. In the round, I cannot fairly conclude that Lloyds ought to have intervened in any of the earlier transactions or to have reasonably suspected Miss F was the potential victim of financial harm.

I have then considered if Lloyds did what we would expect to try to recover Miss F's money once it was notified of the scam. As Miss F had moved the money on from all of the recipient accounts to the scammer, there was no realistic chance of Lloyds recovering the money. As payment 10 was made by debit card the opportunity to recover those funds would be through the chargeback scheme. But I don't consider that a chargeback claim would have had any prospect of success. There would have been no valid chargeback right. So I can't say there was any failing in this regard on Lloyds' part.

It follows I am not instructing Lloyds to refund any more money to Miss F. I'm sorry Miss F has lost a considerable amount of money and I can understand why she would like to be compensated for her total loss. I do accept Miss F has fallen victim to a sophisticated scam. But I can only consider whether the bank, which had no involvement in the scam itself, should be held responsible for what happened. For the reasons set out above I do not find Lloyds can be held liable beyond payments 11 and 12 in the circumstances of this case. As the investigator mentioned, we would have considered if a deduction was warranted for contributory negligence but the bank decided to refund the payments in full. In light of this, I'm satisfied the bank's response to Miss F's complaint was wholly fair.

My final decision

I am not upholding Miss F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 11 September 2025.

Rebecca Connelley
Ombudsman