

## The complaint

Mr M complains that Lloyds Bank Plc didn't do enough to protect him from losing money to a scam.

## What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide an overview of some of the key events here. In 2024, Mr M says he was a victim of a scam. He believed he was investing in a legitimate cryptocurrency opportunity. But he later found he was unable to make withdrawals without depositing further funds and came to the conclusion he'd be scammed. As a result of the scam, Mr M made the following payments via open banking from his Lloyds account. The payments all went to a legitimate cryptocurrency exchange 'K', from where Mr M sent it on to the scammer before it was lost.

<b>Date</b>	<b>Amount</b>
5 November 2024	£1,000
11 November 2024	£2,000
15 November 2024	£2,500
18 November 2024	£2,000
28 November 2024	£3,161.89
28 November 2024	£100

Mr M complained to Lloyds who didn't offer to refund any of the payments, but they did offer £30 compensation for some service related issues. The matter was referred to our service and one of our Investigators recommended that the complaint should be upheld. He thought that Lloyds should've intervened in the first payment on 28 November 2024. He concluded that had they done so, the scam would've been stopped. But he also thought that Mr M should be held partly responsible for his own loss due to contributory negligence. So, he recommended that Lloyds should refund 50% of the final two payments as listed above, plus 8% simple interest and he thought the compensation Mr M should receive was £100.

Lloyds agreed to pay the suggested redress. Mr M didn't agree. He is adamant that he should be fully reimbursed and that he should receive more compensation. He's asked for an Ombudsman to review his complaint.

## 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 our Investigator's outcome and for similar reasons. I know this will be disappointing for Mr M, so I'll explain why.

Mr M has made some detailed submissions in support of his complaint. I've read and considered all he's sent in, but I don't intend to respond in similar detail. So, if I don't mention

a particular point or piece of evidence, it isn't because I haven't seen or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is just a reflection of the informal nature of our service.

Firstly, Lloyds initial obligation is to follow the payment instructions Mr M provides. But they should also be alert to the possibility of fraud, scams and the misappropriation of funds and should do what they fairly can to mitigate these risks to their customers. Clearly Lloyds can't be involved in every payment and there is a balance to be struck between stopping and checking payments and allowing customers ready access to their funds. I also think it's fair that there is a degree of proportionality as to what can fairly be expected with regards to when to intervene and to what extent.

Whilst I appreciate Mr M thinks it should've happened sooner, in the circumstances of this complaint, taking account of Mr M's prior account history, I don't think it's unreasonable to not have expected Lloyds to have intervened and to have provided a scam warning until the £3,161 payment on 28 November 2024. I agree that by this point there was enough going on (combined with the payment being identifiable as going to cryptocurrency) such that Lloyds should've done more.

By this point in time, Mr M was making a payment to release funds he believed had already accrued on the scam platform. I've no reason to doubt that, if asked, he would've truthfully explained the situation as he understood it to be at the time. Lloyds would've known that paying to release funds linked to a cryptocurrency investment will almost certainly be a scam. And had they provided a strong warning of that fact, combined with other key features of cryptocurrency investment scams, I think further losses would've been prevented.

However, I also agree that in the circumstances of this complaint it would be fair for Mr M to assume partial responsibility for his loss. I say this because the returns the scammer spoke about were clearly too good to be true (even in a volatile asset like cryptocurrency). The scammers said Mr M's initial investment had gone up to a value of around \$90,000 in a very short period of time. And the chat history indicates that Mr M had conducted further research, had concerns, but was persuaded to make payments without seeking further independent guidance or verification. In doing so, I think he contributed to his own loss and so it would be fair to make a reduction in award of 50% for that reason. I also agree with our Investigator that 8% simple interest should be added to compensate Mr M for the loss of use of that money in the meantime.

Given the money Mr M sent all went to cryptocurrency and was then sent on to the scammers, I don't think there was anything Lloyds reasonably could've done that would've resulted in a recovery being made. So, this isn't a basis upon which I could direct that more needs to be done.

Our Investigator also thought that £100 compensation should be paid for the trouble and upset caused. I agree that this is a fair amount. I understand Mr M thinks this amount is far too low, and he's highlighted the impact the scam has had on him. But the context of this compensation is its about the impact of Lloyds actions. And nothing would've been different until 28 November if Lloyds had done all I'd fairly expect. Mr M still would've had the hugely unpleasant experience of being a victim of crime and all that follows on from that. And the £100 isn't intended to compensate for all of this, just for any additional impact of Lloyds actions surrounding this complaint.

I do understand Mr M's strength of feeling about his complaint and I'd like to remind him that he is under no obligation to accept my decision. In which case it won't be binding on either party. Mr M would then be free to continue his dispute with Lloyds through other avenues,

such as the courts, should he decide to do so. If this is something Mr M is considering, I'd recommend that he seeks independent legal advice.

### **My final decision**

For the reasons outlined above, my final decision is that I uphold this complaint.

Lloyds Bank PLC must pay Mr M £1,630.95 (to represent 50% of his final two payments as set out above). 8% simple interest must be added to this amount and paid. This should be calculated between the date of loss and the date of settlement.

£100 compensation must also be paid (if the £30 referred to in Lloyds' complaint response has already been paid, then only a further £70 must be paid).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 8 January 2026.

Richard Annandale  
**Ombudsman**