

## **The complaint**

Mr N complains that Lloyds Bank PLC (“Lloyds”) hasn’t protected him from losing money to a scam.

## **What happened**

The background to this complaint is well known to both parties, so I won’t repeat everything here. In brief summary, Mr N has explained that in January 2025 he made a number of payments from his Lloyds account for what he thought was a legitimate investment opportunity. Mr N subsequently realised he’d been scammed and got in touch with Lloyds. Ultimately, Lloyds didn’t reimburse Mr N’s lost funds, and Mr N referred his complaint about Lloyds to us. As our Investigator couldn’t resolve the matter informally, the case has been passed to me for a 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’ve decided to not uphold Mr N’s complaint for materially the same reasons as our Investigator.

I’m very aware that I’ve summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I’ve focused on what I think is the heart of the matter. If there’s something I’ve not mentioned, it isn’t because I’ve ignored it – I haven’t. I’m satisfied I don’t need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this, reflecting the informal nature of our service as a free alternative to the courts.

I’m satisfied Mr N authorised the relevant payments. Lloyds would generally be expected to process payments a customer authorises it to make. And under The Payment Services Regulations and the terms and conditions of the account, Mr N is presumed liable for the loss in the first instance, in circumstances where he authorised the payments. That said, as a matter of good industry practice Lloyds should have taken proactive steps to identify and help prevent transactions – particularly sufficiently unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there are many payments made by customers each day and it’s not realistic or reasonable to expect Lloyds to stop and check every payment instruction. There’s a balance to be struck between identifying and proportionately intervening in payments that could potentially be fraudulent, and minimising disruption to legitimate payments (allowing customers ready access to their funds). In this case, I’m satisfied that Lloyds didn’t but should have intervened in the third and fifth payments Mr N made from his Lloyds account as a result of this scam. This is because Lloyds ought to have been well aware that, at the time, payments like this, identifiable to a crypto exchange (and these should have been), carried an elevated risk of being related to fraud or a scam. And given the value of these payments (the third and fifth), I would reasonably expect Lloyds to have intervened and warned Mr N about the possibility he was being scammed. I agree with what our Investigator said about this – that Lloyds should have

presented warnings to Mr N tailored to cryptocurrency scams. Deciding what most likely would have happened, if Lloyds had intervened like this, isn't straightforward. It's a difficult decision. On the one hand, I accept it's possible that such warnings might have resonated with Mr N, and that ultimately this might have sufficiently dissuaded him from proceeding further with the payments.

In this case, however, I think it's more likely that any such proportionate scam warnings from Lloyds wouldn't have sufficiently dissuaded Mr N. I say this because Lloyds ought to have pointed out red flags, and what Mr N should be wary of. But it seems to me that no matter what Lloyds had proportionately done or said, it's likely Mr N's contact with the scammer wouldn't have immediately stopped given the relationship they had built up. And ultimately, given the nature of the WhatsApp chats exchanged between Mr N and the scammer, I think it's most likely that the scammer would, one way or the other, have been able to persuade Mr N to make payments of such value. It doesn't seem that Mr N was completely unknowledgeable about investing or trading. It also doesn't look like the specific 'opportunity' the scammer recommended to Mr N would necessarily have been the only 'opportunity' the scammer had ready to present to Mr N if need be. Overall, therefore, and whilst I've thought about this very carefully, I'm not persuaded I can say that if Lloyds had appropriately intervened, that this most likely would have prevented the payments. I'm therefore not persuaded I can say Lloyds unreasonably failed to prevent the payments, nor therefore that it would be fair for me to hold Lloyds responsible for the loss.

I've also considered what happened after Mr N sent these payments from his Lloyds account to the crypto exchange. But as the payments were then sent onto and lost to the scammer from there, there wouldn't have been anything Lloyds reasonably could have done, when Mr N reported that he'd been scammed, to recover his funds.

I'm sorry Mr N was scammed and lost this money. However, despite my natural sympathy, I can't fairly tell Lloyds to reimburse him in circumstances where I'm not persuaded it reasonably ought, on the balance of probabilities, to have been able to prevent the payments or to have recovered them.

### **My final decision**

For the reasons explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 6 January 2026.

Neil Bridge  
**Ombudsman**