

The complaint

Mrs K is unhappy Lloyds Bank Plc (“Lloyds”) won’t refund her a number of payments she made as the result of a romance scam.

What happened

The circumstances that led to this complaint are well known to both parties, so I won’t repeat them in detail again here.

However, in summary, Mrs K fell victim to a romance scam which involved her paying funds to someone she believed she was in a romantic relationship with. Mrs K had met this person on a social networking website and had been speaking with him for around a month when he started to ask her to send him money.

Mrs K made the following payments from her Lloyds current account, to another account she held with a money remittance service (“R”) before transferring the funds to an account she held in India, and then on to the scammer:

Payment no	Date	Payee	Payment type	Amount
1	5 November 2024	Mrs K’s account at R	Faster Payment	£2,474.07
2	6 November 2024	Mrs K’s account at R	Faster Payment	£4,999.99
3	6 November 2024	Mrs K’s account at R	Faster Payment	£601.24
4	6 November 2024	Mrs K’s account at R	Faster Payment	£2,499.45
5	12 November 2024	Mrs K’s account at R	Faster Payment	£501.99
			Total	£11,076.74

Mrs K says she realised she’d likely been the victim of a scam when the scammer kept asking for more and more money. Mrs K then reported what had happened to her to Lloyds and asked it for a refund.

Lloyds declined to offer Mrs K a refund of the amount lost. It said the payments hadn’t raised any suspicions at the time they were made. It also said there wasn’t anything it could’ve done to recover Mrs K’s funds after she reported the scam either, because they had already been sent on to the scammer from Mrs K’s account at R.

Mrs K disagreed with what Lloyds said and brought her complaint to this service. One of our investigators looked into things.

Our investigator didn’t uphold the complaint. They agreed with Lloyds that there wasn’t anything about the payments that meant Lloyds should’ve questioned them at the time. They

also didn't think there was anything Lloyds could've done to to recover Mrs K's funds once notified of the scam.

Mrs K didn't agree with the investigator's findings and as an informal agreement could not be reached, the case has been passed to me for 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.

In deciding what's fair and reasonable, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

I'm really very sorry to hear about what's happened to Mrs K. But having thought very carefully about what she's told us happened at the time and Lloyds' actions, I don't think it would be fair and reasonable for me to hold Lloyds liable for her loss. I'll explain why.

It is accepted that Mrs K authorised the scam payments herself. So, although she didn't intend the money to go to the scammers, under the Payment Services Regulations and the terms and conditions of her account, Mrs K is presumed liable for her loss in the first instance.

Where a valid payment instruction has been received, Lloyds' obligation is to follow the instructions that Mrs K has provided. However, there are circumstances where it might be appropriate for Lloyds to take additional steps or make additional checks before processing a payment in order to help protect its customers from the possibility of financial harm from fraud. An example of this would be when a payment is sufficiently unusual or uncharacteristic when compared with the usual use of the account.

In such circumstances, I'd expect Lloyds to intervene and ask some questions about the intended payment(s) before processing. So, I've first thought about whether the payments Mrs K made could be considered out of character and unusual when compared with her usual account activity.

I've reviewed Mrs K's account statements for the months leading up to the scam, and I don't think the payments were remarkable enough for them to have stood out to Lloyds and to have prompted further discussion. I'll explain why.

The payments are for relatively modest amounts and they aren't inherently suspicious when considering that it is quite common for customers to process transactions up to this amount on a daily basis. Mrs K herself had made a number of payments amounting to the low thousands from this account in the six months leading up to the scam. And so, she had payments for a similar amount from this account in the recent past.

I acknowledge that the second payment is a little higher than the majority of the payments that usually leave this account. I also acknowledge that three payments are made on the same day on 6 November 2024. However, I also have to bear in mind that all of the payments are being made to an account held in Mrs K's own name and that she had paid funds to this account numerous times before from her Lloyds account.

So, taking all the activity surrounding the scam payments into account, I'm not persuaded that the scam payments should have stood out or looked so unusual when compared to Mrs K's genuine account activity that they should've prompted further checks by Lloyds before they were allowed to leave this account.

I have to stress that, at the time, Lloyds wouldn't have known that Mrs K was making payments at the request of a scammer. It is now only with the benefit of hindsight that we know that the payments were being made as the result of a scam. Banks have to strike a balance between processing payments as per their customer's instructions and monitoring accounts for unusual and potentially harmful activity. And I don't think it would be fair to say that Lloyds should've identified the payments Mrs K made as suspicious enough to warrant further checks.

I've also thought about whether Lloyds could've done more to help Mrs K once it was notified of the scam but I don't think it could. The funds had already been moved on from Mrs K's account at R to the scammer and so there wasn't anything Lloyds could've done to recover the funds.

Finally, I want to say again that I am very sorry I had to hear about what has happened to Mrs K. But at the same time, I don't think her loss was caused by any specific failing on behalf of Lloyds.

My final decision

My final decision is that I do not uphold this complaint about Lloyds Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 16 December 2025.

Emly Hanley Hayes
Ombudsman