

The complaint

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

Mrs R brought her complaint through a representative. For ease of reading, I will refer solely to Mrs R in this decision.

What happened

As both parties are aware of the details of the scam, I will not repeat them in full here. In summary, Mrs R fell victim to a job/task scam. She was contacted via WhatsApp and offered the opportunity to complete tasks online to earn commission - to access the tasks she needed to deposit cryptocurrency. She made the following payments by debit card to different accounts in her own name at cryptocurrency exchanges and an EMI (electronic money institution) that she then moved on to the scammer.

payment	date	value	payment	date	value
1	15-Jun-23	£200	15	19-Jun-23	£5,000
2	15-Jun-23	£50	16	20-Jun-23	£1,000
3	16-Jun-23	£70	17	20-Jun-23	£500
4	16-Jun-23	£50	18	20-Jul-23	£50
5	16-Jun-23	£80	19	22-Jul-23	£100
6	17-Jun-23	£150	20	22-Jul-23	£100
7	18-Jun-23	£10	21	02-Sep-23	£100
8	18-Jun-23	£150	22	03-Sep-23	£100
9	18-Jun-23	£50	23	06-Sep-23	£200
10	18-Jun-23	£300	24	21-Sep-23	£270
11	18-Jun-23	£350	25	21-Sep-23	£270
12	18-Jun-23	£150	26	06-Oct-23	£270
13	19-Jun-23	£500	27	06-Oct-23	£270
14	19-Jun-23	£2,000	28	02-Dec-23	£50

Mrs R realised it was a scam when she was unable to withdraw her commission without first depositing more funds.

Mrs R says Lloyds should have intervened at the time of payment 15. Had it done so, it would have identified the hallmarks of a job/task scam and warned her accordingly.

Lloyds says it spoke to Mrs R on 19 June 2023 before payment 13 to ask about her recent transactions, as well as some it had blocked between 17:02 on 18 June 2023 and 14:12 on 19 June 2023. In summary, she told it she was investing in cryptocurrency, no-one else was involved, she had not been contacted via social media and she understood the risks. She acknowledged she could make no claim against the bank if she lost money. It says had she been honest it could have done more to help her, but in the circumstances it would not be

refunding the payments.

Our investigator did not uphold Mrs R's complaint. She said Lloyds had intervened before she would have expected (payment 15) but it was unable to give a relevant warning as Mrs R did not disclose the real purpose of the payments. So, it could not fairly be held liable for Mrs R's losses.

Mrs R disagreed and asked for an ombudsman's review. She said the pattern of her payments was indicative of a job/task scam and so Lloyds should have given a job/task scam warning. That would have prevented her loss.

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 Mrs R made and authorised the payments. At the stage she was making these payments, she believed she was transferring funds to other accounts she had to allow her to buy access to tasks as part of a job opportunity. I don't dispute Mrs R 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 Mrs R's instructions. So in the first instance Mrs R 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 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;
- from 31 July 2023 onwards, 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 multistage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

To note, as the payments were made by debit card, and to accounts in Mrs R's name, the principles of the Contingent Reimbursement Model (CRM) code do not apply in this case.

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

Mrs R says Lloyds needed to intervene at the time of payment 15. I think this would have been reasonable, but it acted sooner than that – before payment 13. It had declined a number of payments (lower value but to one of the same recipients) and blocked her account on 18 June 2023. When it spoke to Mrs R on 19 June 2023, she said she had just started investing in cryptocurrency; that it was her idea; no-one had been in touch via WhatsApp; she was receiving no advice; the wallet she was moving the money into was in her name and she had sole control of it. Lloyds explained that if it was fraud and she were to lose the money she would have no recourse against the bank. Once Mrs R confirmed she understood this Lloyds unblocked her account. As she was not honest Lloyds could not provide a warning relevant to the type of scam she had fallen victim to.

And I think it is fair and reasonable to assume that these responses reflect what Mrs R would have said had Lloyds called at the time of payment 15. Whilst I am not wholly persuaded it was a best-in-class intervention, I do not think Mrs R would have disclosed the real purpose of her payments had the bank asked any additional questions, such as the expected rate of return or which cryptocurrency she was investing in. This means for the same reason Lloyds did not provide a job/task scam warning on the first call it would not have done so later in the day.

I do not agree with Mrs R that Lloyds ought to have provided a job/task scam warning regardless of her replies and based solely on the pattern of payments. A pattern of increasing payments is not only indicative of a job/task scam. I think it is fair for the bank to rely on the account holder's replies, unless say the information given is not plausible or becomes contradictory. This was not the case here.

It follows as Mrs R was not honest with Lloyds when it asked about her payments, Lloyds was not able to prevent the scam progressing. I cannot therefore hold it liable for Mrs R's losses.

I have then considered if Lloyds did what we would expect to try to recover Mrs R's money once the scam was reported. As the payments were made by debit card the opportunity to recover the funds would be through the chargeback scheme. But I don't consider that any chargeback claims would have had any prospect of success. There would have been no valid chargeback right given there was no dispute that the cryptocurrency exchanges provided the services they sold to Mrs R. The funds appeared in her digital wallets, which she subsequently sent to the scammer. For the payments Mrs R sent money to her own account at an EMI (electronic money institution) and from there onto the scammer - she had control of those funds. This means I can't say there was any failing in this regard on Lloyds' part.

It follows I am not instructing Lloyds to refund any money to Mrs R. I'm sorry Mrs R has lost a considerable amount of money and I can understand why she would like to be compensated for her loss. I do accept Mrs R 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 in the circumstances of this case.

My final decision

I am not upholding Mrs R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 3 November 2025.

Rebecca Connelley
Ombudsman