

The complaint

Mrs W has complained that Lloyds Bank PLC won't refund the money she says she lost in a scam.

What happened

In late 2024, Mrs W complained to Lloyds via representatives. She said that her various payments to her external cryptocurrency accounts made between late 2022 and early 2024 were sent as part of an investment scam.

Mrs W explained that she was introduced to the investment scheme by a trusted friend. She was initially able to withdraw, then later faced issues and delays. Her claimed losses total around £26,000.

Lloyds asked for further information and evidence about the scam but didn't receive it. They didn't think they were liable for Mrs W's stated loss.

Our Investigator looked into things independently and didn't uphold the complaint. Mrs W's representatives didn't agree, so the complaint's been passed to me to decide.

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.

I'm sorry to hear that Mrs W may have lost large sums to what she believes was a scam. I appreciate that such losses are not easy matters to face, and I appreciate why Mrs W would want to try to recover any such losses.

With that said, it's not clear whether Mrs W did fall victim to a scam here. There is a high legal threshold or burden of proof to conclude that someone was intentionally trying to commit fraud; as opposed to – for example – running a high-risk investment scheme or managing a scheme poorly. I've not been given much evidence about this scheme and have found little to substantiate whether the scheme set out to defraud people or not.

Even more importantly, I don't have sufficient evidence that Mrs W actually suffered a loss here. Mrs W's representatives have provided some screenshots from one of her crypto accounts, showing her depositing funds, buying crypto, and sending it somewhere. But they've not provided any evidence like Mrs W's contact with the scheme, or receipts or documents she received from the scheme, or screenshots from the platform, and so on. So I don't have any evidence of her being told to send crypto in relation to this scheme, nor of where she did send her crypto to – for all I can know, she might've sent it to another wallet of her own, or to a friend, or sent it to buy goods or services she then received, and so on.

I'm not saying I've actually concluded that Mrs W made a false claim. But I could only fairly hold Lloyds liable for an alleged scam loss if there was evidence to reasonably substantiate that a relevant scam and a relevant loss actually took place. And I don't have sufficient evidence of that here. With that said, even if I were to conclude that this was a scam, and that Mrs W suffered a relevant loss – despite the lack of evidence – I'm afraid I still couldn't reasonably hold Lloyds responsible for that alleged loss. I'll explain why.

It's not in dispute that Mrs W authorised the payments involved. So although she didn't intend for the money to end up with what she now thinks were scammers, under the Payment Services Regulations she is liable for her own payments and a resulting loss in the first instance. And broadly speaking, Lloyds had an obligation to follow her instructions – the starting position in law is that banks are expected to process payments which a customer authorises them to make.

Lloyds should have been on the lookout for payments which could be the result of fraud or scams, to help prevent them. But a balance must be struck between identifying and responding to potentially fraudulent payments, and ensuring there's minimal disruption to legitimate payments. Here, the spending was generally of modest value and was spread out from 2022 through to 2024. While it was going to crypto sites, these were accounts in Mrs W's own name from which she was also receiving money, and the spending was never quite so large, rapid, or of a sufficiently suspect pattern to be of particular concern. Mrs W often made transfers of similar or larger amounts in the preceding period. And in later months, these sorts of payments had become fairly normal activity for her account. So I don't think the payments were so unusual or out of character that Lloyds needed to intervene.

I've then considered what Lloyds did to try to recover the money after Mrs W told them she'd been scammed. It looks like they asked for her consent to trace the funds but didn't get a reply. In any case, it wouldn't have been possible for Lloyds to recover money which Mrs W had already sent on in crypto from her crypto accounts. And any funds remaining in Mrs W's crypto accounts were still in her control, so there was nothing more for Lloyds to do there. As these were payments to Mrs W's own crypto accounts, they were not covered by the CRM Code for scams. And regarding the funds sent by card, there was no chargeback reason which would've been appropriate here. A chargeback would've been a claim against Mrs W's own crypto exchange rather than the alleged scammers. And the exchange provided the service they were supposed to. There was no realistic prospect of success for a chargeback, and chargebacks are voluntary, so Lloyds didn't need to try one in this case. And I'm afraid there was nothing more that Lloyds could've reasonably done to get the money back here.

Finally, Mrs W's representatives pointed out that we've upheld other scam cases. But as they know, we look at each case on its own merits. I've explained above why I'm unable to uphold this particular complaint.

So while I'm very sorry to hear the allegations about what scammers did to Mrs W, I don't think Lloyds can fairly be held responsible for her stated loss. And so I can't fairly tell Lloyds to reimburse Mrs W in this case.

My final decision

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

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 12 November 2025.

Adam Charles
Ombudsman