

## **The complaint**

Miss B complains about Lloyds Bank PLC (Lloyds), as she feels they should reimburse her for £11,320.18 that she paid to what she thought was an online gambling website on 27 and 28 March 2024

## **What happened**

Following the sale of her car, Miss B made three payments by debit card to what she believed was an online gambling website. These payments were not credited to her online gambling account as she expected, instead they show as being paid to another merchant on her bank statements.

When Miss B contacted the gambling website after making her first three payments, they advised her it could take up to 24 hours to credit her account. She tells us that a payment of around £500 had showed on her online gambling account, which reassured her everything was fine, so she continued to make more payments the following day.

No further payments were credited to Miss B's online gambling account and after raising the issue with the merchant, they offered to pay her 2000 EUR if she agreed to sign a disclaimer not to make any further claims or to discuss these issues with anyone else.

Miss B also contacted the merchant displayed on her statements, which was different to the merchant she thought she was paying, and they replied saying she had purchased online virtual art from them, but were unable to help her further.

On 13 September 2024 Miss B raised a chargeback request with Lloyds. Lloyds initially agreed to raise a chargeback claim, but later told Miss B that she was outside the 120 day window that claims are allowed to be made within.

Miss B complained to Lloyds and on 10 Jan 2025 Lloyds sent a final response letter that apologised for giving Miss B false hope in September and offered to pay her £75 for the distress and inconvenience their actions had caused.

Miss B was not satisfied with Lloyd's response to her complaint and so she complained to our service.

Our investigator carefully considered all of the evidence presented to them and did not uphold Miss B's complaint. They felt that Lloyds should have contacted Miss B after the third payment on 27 March 2024, as this followed a lump sum of £25,120 being credited to her account, multiple transactions being made between Miss B's own savings and current accounts and as these payments were to a merchant she had not previously paid. All of which were out of character with Miss B's previous account usage.

However, our investigator said that if Lloyds had contacted Miss B after the third payment, they felt Miss B is most likely to have told the truth that she was paying money to an online gambling site to bet on football matches, as that was her honest belief. Although Miss B had

some concerns, she had been reassured by the messages she received from the merchant to say credits would show within 24 hours and as £500 had been credited.

Miss B disputes the investigator's view. She says that if Lloyds had raised concerns about a scam with her, she would have looked into that in more detail and made the enquiries she later went on to make. She feels strongly that this would have stopped her from making further payments on 28 March 2024.

As Miss B disagrees with our Investigator's view, this case has been passed to me to make 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.

I've decided not to uphold Miss B's complaint. I understand that falling victim to a scam or fraud of any kind is a distressing experience and I have taken into consideration Miss B's explanation around the significant negative impact these events have had on her. I am sorry Miss B has needed to contact us in these circumstances and appreciate this is not the outcome she will have wanted.

In broad terms, the starting position at law is that a banking institution such as Lloyds is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

But, taking into account relevant law, regulators' rules and guidance, relevant codes of practice and what I consider to have been 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. 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;
- 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;

Having reviewed Miss B's bank statements leading up to the disputed transaction in March 2024, I have seen a pattern of Miss B's account regularly using the overdraft facility, with most transactions going into or out of the account being for smaller sums of money, generally for no more than a few hundred pounds.

Miss B received a payment of £25,120 into her account on 26 March 2024, followed by multiple transactions totalling £16,500 being transferred between her savings and current accounts. Miss B also made three payments to a merchant she had not previously paid on

27 March 2024 for £1001.28, then £1501.93 and then £2002.59. These totalled £4505.80 and were made within 49 minutes. There was also a further transaction attempted to the same merchant within this timeframe for £2002.49, which was declined.

I consider this was unusual activity given Miss B's account history and as such I consider Lloyds should reasonably have been alerted to the potential that Miss B could have been the victim of a scam. The total paid by Miss B to the merchant was £11,320.18 over 2 days.

I have seen no evidence to indicate that Lloyds took any action to warn Miss B about the potential that she might be falling victim to a scam or be at risk of financial harm.

Given the unusual activity set out above, I consider Lloyds should have provided a human intervention to Miss B to alert her to the potential of harm and to question her about the unusual activity on her account .

In response to our investigator's view, Miss B told us she would have investigated the merchant had she been contacted by Lloyds to raise concerns and wouldn't have gone on to make any further payments on 28 March 2024. As the merchant on her statements has a different name to the company she paid on 27 March, I understand why she would have had concerns about making more payments the following day.

Miss B says she had concerns at the time of the payments and queried this with the gambling site on 27 March 2024. However, she explains she was reassured by the gambling site's response to her enquiry, as they told her that credits would show in her online account within 24 hours. She had also received a credit of around £500 into her online gambling account.

Although we will never know what actions Miss B would have taken if Lloyds had provided her with a warning, I have carefully considered the actions she took and her explanation of the steps she would have taken had she been warned of a potential scam, including her belief that a warning from Lloyds 'would have made a significant difference'.

On the balance of probabilities I consider it more likely that, if Lloyds had raised concerns with Miss B on 27 March, she would have made the same enquiries with the gambling site that she already did without their warning. As Miss B was reassured by the gambling site's explanation and went on to pay a further £6,814.38 the following day on 28 March 2024, despite her original payments from 27 March 2024 not having credited her online gambling account at that time, I also consider it more likely that she would have gone on to make the payments she did on 28 March 2024.

As Miss B had used a debit card to make these payments, she had some recourse to make a chargeback claim from her card provider, as she did not receive the goods or services she had paid for. If Lloyds had provided a warning following her three payments on 27 March 2024, even if Miss B had gone on to make those further payments on 28 March, she may have raised this sooner with Lloyds when she had concerns that the money wasn't credited to her online gambling account. It's possible Miss B may then have raised a chargeback request with Lloyds within the 120 day chargeback period.

I considered what is more likely to have happened based on the actions Miss B actually took and the further explanations she has provided in response to our investigator's view. What I have seen is that Miss B didn't contact Lloyds to raise concerns about the payments until 13 September 2024, despite her having paid £11,320.18 to the merchant in March 2024. At that point she raised a chargeback claim, which was out of time at that stage.

I have seen evidence that Miss B was pursuing these issues with both merchants during that timeframe and it's clear that she was concerned about retrieving her money. As she didn't raise her concerns earlier with Lloyds under these circumstances and as I think she most likely would have been reassured by the merchant's reassurances even if Lloyds had warned her, I think it unlikely that she would have contacted Lloyds to raise a chargeback request within the relevant timeframe.

I have seen that Lloyd's final response letter of 10 January 2025 apologised for giving Miss B false hope about raising a chargeback request when she contacted them in September, as they didn't explain that the time limit for that had already passed. Lloyds paid Miss B £75 for the distress and inconvenience they caused. I consider that is a reasonable remedy for this issue and I have seen no indication that a higher payment should be made.

As such I propose not to uphold the complaint. Although I consider Lloyds should have contacted Miss B to warn her, on balance I don't consider it would have changed the outcome, as I have outlined above.

### **My final decision**

My final decision is that I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 8 August 2025.

Matthew Warrington  
**Ombudsman**