

The complaint

Mrs I complains that Lloyds Bank PLC ('Lloyds') hasn't agreed to refund all the money she lost to an investment scam.

Mrs I referred her complaint to this service with the help of a professional representative. However, for ease of reading, I'll refer only to Mrs I throughout my decision.

What happened

The circumstances of the complaint are well-known to both parties. So, I don't intend to set these out in detail here. However, I'll provide a brief summary of what's happened.

On 25 October 2023, Mrs I created a trading account with an investment company, which I'll refer to as 'M'. She made an initial investment of £250 from an account she held with another banking provider, which I'll refer to as 'N'. Pleased with how her initial investment was performing, she made a further payment of £1,000 (again from her account with N) on 7 November 2023. Unbeknownst to Mrs I at the time, M was actually a scam.

On 13 November 2023, M sent approximately £400 of cryptocurrency to Mrs I's newly opened digital wallet with a cryptocurrency exchange, which I'll refer to as 'K'. Mrs I was able to withdraw the funds to her account with N on 14 November 2023.

On 28 February 2023, M sent approximately £900 of cryptocurrency to Mrs I's digital wallet with K. Mrs I was able to successfully withdraw the funds to her account with N on 29 February 2024.

In May 2024, Mrs I attempted to make a further withdrawal from her trading account with M. In order to withdraw her funds, Mrs I was persuaded to make six payments from her Lloyds accounts to her digital wallet with K, totalling £46,650. To fund the payments, Mrs I used personal savings, borrowed £5,000 from a relative and took a £17,000 loan from Lloyds. After sending the funds to K, she converted them into cryptocurrency and sent this on to M.

When Mrs I didn't receive her withdrawal, she realised she'd been the victim of a scam. In October 2024, Mrs I made a complaint to Lloyds and requested a refund of the money she'd lost. Lloyds responded to the complaint on 17 March 2025, by which time Mrs I had already referred her complaint to this service.

In its response to the complaint, Lloyds said it could've done more to prevent Mrs I's loss. However, it also considered that Mrs I should share some responsibility for what had happened. Lloyds offered to:

- write off the £17,000 loan and refund the two loan repayments Mrs I had made;
- refund 50% of Mrs I's remaining loss;
- pay 8% simple interest on the funds that were sent from Mrs I's current account;
- pay account rate interest on the funds that were sent from Mrs I's savings account;
and
- pay £200 compensation in recognition of how long it took to respond to Mrs I's complaint.

Our Investigator thought Lloyds' offer was a fair way to resolve Mrs I's complaint. In summary, they thought Mrs I had been contributorily negligent when she was scammed by M and so it was fair that she should have to take some responsibility for the loss she suffered. Lloyds had offered more than our Investigator would've recommended and so they didn't uphold Mrs I's complaint.

Mrs I didn't agree and so the complaint has 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.

Lloyds has already accepted that it could've done more to detect and prevent Mrs I from being scammed. So, the question I must answer, is whether Lloyds' offer to put things right is fair in the circumstances.

Mrs I has explained that she thought M was a genuine investment opportunity because she saw it being advertised on a well-known television programme and it was being endorsed by a well-known celebrity. She also says that she'd seen M being advertised in a national newspaper.

Mrs I hasn't provided any evidence of the above. And, through my own research into M, I've been unable to find evidence to corroborate Mrs I's testimony about how she was introduced to M. I also think it's highly unlikely that a scammer would risk advertising in this way, given the high chance it could result in the scam being discovered.

I appreciate Mrs I says M had a sophisticated and legitimate looking website and that, after filling out an enquiry form, she was contacted by a representative of M (whom I'll refer to as 'E') who came across as knowledgeable and professional. However, I think Mrs I ought to have carried out more detailed checks on who she agreed to invest with.

Mrs I says she asked if M was regulated. E told Mrs I that M was regulated by the Financial Conduct Authority ('FCA'). However, what appears to have been another scammer spoke to Mrs I around the same time she signed up with M. They alleged that M was a scam and pointed out the fact that M wasn't regulated by the FCA, contrary to what E had said – and I note that by the time Mrs I made payments from her Lloyds account to K, the FCA had published a warning about M, confirming it wasn't regulated in the United Kingdom. Mrs I was also provided with documents suggesting M was regulated in Ireland and Australia, which is incorrect. This suggests Mrs I failed to verify the information she was given about M's regulatory status.

I appreciate that Mrs I was able to withdraw approximately £1,300 from M between November 2023 and February 2024 (a profit of almost £50). I'm sure this added to the legitimacy of the scam. However, by May 2024, Mrs I believed her investment had grown significantly in value. The total amount Mrs I thought her investment had grown to hasn't been confirmed. However, Mrs I was willing to pay £46,650 towards taxes and fees to withdraw it, suggesting she thought a £1,250 investment had increased to a highly unrealistic amount and a return of this value should've been treated with more caution.

When Mrs I was able to make successful withdrawals from M in November 2023 and February 2024, she didn't have to pay any taxes or fees. So, I think Mrs M ought to have been concerned in May 2024 when she was being asked to pay significant amounts in order to withdraw from her investment, which also represented a change in procedure.

Lloyds did stop several of the payments Mrs I made to K in May 2024 and she had to call Lloyds to answer questions about what she was doing. Mrs I wasn't accurate with her answers and withheld information about the investment she'd made with M and the purpose of the payments she was making to K. She's explained that she was told to mislead Lloyds, which isn't something the representative of a genuine investment firm would tell a customer, and this should've caused Mrs I some concern as to why she needed to act in this way.

When Mrs I spoke to Lloyds about the payments she was making to K, she was given some generic scam advice, which included some common features of investment scams. Some of the examples Lloyds gave matched Mrs I's circumstances and ought to have resonated with her at the time.

Whilst I appreciate there were some elements of this scam that were persuasive, I think there were enough warning signs in May 2024 that Mrs I ought to have acted with more caution. I've taken into account Mrs I's personal circumstances at the time she made the scam payments from Lloyds. However, I'm not persuaded it would be unfair or unreasonable to hold her jointly responsible for the loss.

I think a fair way to apportion Mrs I's loss would've been for Lloyds to reimburse 50% of the payments she made to her digital wallet with K, along with 8% simple interest on the partially refunded money which she didn't borrow from a relative or Lloyds. However, Lloyds' offer exceeds what I'd reasonably expect Lloyds to do in the circumstances and so I think it's a fair way to resolve the complaint.

Lloyds has apologised for how long it took to respond to Mrs I's complaint and offered £200 compensation. In the circumstances, I think that's a fair amount of compensation, taking into account the impact caused by Lloyds' delay.

I have natural sympathy with Mrs I, given the financial loss she's suffered and the affect the scam had on her health. However, I don't think Lloyds needs to do anything more than it's already offered to do to resolve Mrs I's complaint. If it hasn't already done so, Lloyds should take the steps it's offered to take to resolve matters.

My final decision

For the reasons explained above, my final decision is that I don't uphold this complaint.

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

Liam Davies
Ombudsman