

The complaint

Mr and Mrs P complain that Lloyds Bank PLC (Lloyds Bank, hereinafter) hasn't refunded the losses they've incurred when Mr P says he fell victim to an investment recovery scam.

What happened

Mr P says that he was introduced to a cryptocurrency trading investment I will refer to as H in October 2021. Unbeknown to Mr P this was a scam.

Mr P said that he was persuaded to send funds to the scammer via a cryptocurrency wallet in his own name with provider C, which he funded from his own bank accounts. He claims he was given instructions on how to do this via regular video calls with the scammers. He also spoke to them via well-known social media platforms.

Mr P claimed he made the following payments to H from his Lloyds Bank account:

27 February 2023	£2,900 (Faster payment to Mr P's own cryptocurrency wallet with C)
17 April 2023	£3,999 (Faster payment to Mr P's own cryptocurrency wallet with C)
17 April 2023	£4,500 (Faster payment to Mr P's own cryptocurrency wallet with C)
17 April 2023	£4,999 (Faster payment to Mr P's own cryptocurrency wallet with C)

Mr P said that he realised he had fallen victim to a scam when he could not withdraw his returns from the trading platform.

Mr P reported the scam to Lloyds Bank, but the bank didn't refund him, claiming that the payments he had made to C weren't out of character and, in any event, they were going to an account in his name and control. Therefore, it could not be held liable for the losses Mr P had sustained.

So, Mr P referred the complaint to the Financial Ombudsman Service.

Our investigator found that the information Mr P and his representatives submitted in support of their claim didn't prove that the payments Mr P had made to C were subsequently lost to the scammer. So, they couldn't correctly quantify Mr P's loss – if any, and so they could not ask Lloyds Bank to refund it.

Mr P disagreed with our investigator and said the disputed payments had not been made to investment scam H, but rather to investment recovery scam S, that Mr P was targeted by, after he had lost his investment with H.

Mr P's representatives apologised for the confusion caused by their incorrect submissions and stated Mr P should be refunded because, overall, enough evidence had been shared with our service showing Mr P had made payments to H before the payments to S, which proved Mr P had also fallen victim to the recovery scam. Mr P's representatives asked for Mr P's lack of supporting evidence not to be used against him, as he had clearly been a scam victim repeatedly.

In light of this disagreement, I have been asked to review everything afresh and reach a decision on the matter.

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 aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. And if there is a submission or point that I've not addressed, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Where the evidence is incomplete, inconclusive, or contradictory, I must make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances. Lloyds Bank is expected to process authorised payment instructions without undue delay. But as a bank, it also has long-standing obligations to help protect customers from financial harm from fraud and scams.

However, any reimbursement, in consideration of industry guidance and best practice standards, would be reliant on, amongst other findings:

- being able to prove on the balance of probabilities that all of the payments Mr P disputes were indeed lost to a scam;
- being able to quantify the net losses Mr P lost to the scam, also taking into account any returns received from the scammers.

Despite several requests for evidence from our service, Mr P's representatives said Mr P could not provide the chat transcripts of either scam because he only realised that he could raise a complaint to his bank long after the scams happened. Mr P changed his mobile phone during this time and didn't understand the importance of keeping hold of any evidence as he didn't know it could be helpful to do so.

Mr P also said his cryptocurrency wallet with C was closed and so he could not retrieve the wallet statements showing funds being sent to the scammers.

Mr P hasn't provided any evidence whatsoever of his dealings with recovery scam S. In light of the above, whilst I sympathise with Mr P's circumstances and accept that, at some point, he was exposed to investment scam H, I'm unable to uphold this complaint. This is because of the following reasons:

- Mr P changed his testimony late in the complaint process to say that the disputed transactions were made to recovery scam S and not investment scam H. No plausible justification was given for this change of narrative, which I found very concerning, given Mr P and his representatives vehemently claimed for a long time with both Lloyds Bank and our service that these funds had been lost to investment scam H.
- Mr P has provided no evidence whatsoever that proves he fell victim to recovery

scam S. There are no chat screenshots or emails or suspicious payment references that might indicate Mr P's involvement with scam S. So, I can't safely say that, on the balance of probabilities, Mr P lost any funds to scam S.

- Mr P can't provide a copy of his cryptocurrency wallet statements with C. This means I can't be satisfied all of the funds held with C were sent to the scammers' wallet. This, in turn, means I can't quantify Mr P's loss to the scam, if any.
- My difficulties in quantifying Mr P's losses are further affected by the fact that he seems to have been making payments to his cryptocurrency wallet with C from at least another bank account in his name between 22 and 27 March 2022. These transactions weren't reported as fraudulent, which means Mr P used the cryptocurrency wallet with C also for genuine activity. Because I have no evidence of what payments the scammers persuaded Mr P to make, I can't exclude that some of the payments he has reported as fraudulent, may be in fact genuine, as there is evidence showing the wallet may have been used for non-fraudulent purposes too.

On balance, I haven't found the evidence before me shows Mr P lost funds to recovery scam S or what the actual loss Mr P claims to have suffered is.

Without being able to establish the exact loss Mr P suffered, I can't fairly or reasonably direct Lloyds Bank to refund him. I know Mr P will be disappointed by this outcome. But for the above reasons, I don't think Lloyds Bank has acted unfairly by not providing him with a refund on this occasion.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Mrs P to accept or reject my decision before 3 February 2026.

Daria Ermini
Ombudsman