

## THE COMPLAINT

Mrs M complains that Lloyds Bank PLC (“Lloyds Bank”) will not reimburse her money she says she lost when she fell victim to fraud.

## WHAT HAPPENED

The circumstances of this complaint are well known to all parties concerned, so I will not repeat them again here in detail. However, I will provide an overview.

On 21 December 2024, three payment transactions were made from Mrs M’s Lloyds Bank account. Two were made using Open Banking to “SV” (£9,799 and £9,699), and the third to a Lloyds Bank credit card not belonging to Mrs M (£1,950). I will refer to these collectively as the “Transactions”. Mrs M disputes that she authorised the Transactions.

One of our investigators considered the complaint and did not uphold it. As Mrs M did not accept the investigator’s findings, this matter has been passed to me to make a decision.

## WHAT I HAVE 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.

Having done so, I find that the investigator at first instance was right to reach the conclusion she did. This is for reasons I set out in this decision.

I would like to say at the outset that I have summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a submission I have not addressed, it is not because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint.

Further, under section 225 of the Financial Services and Markets Act 2000, I am required to resolve complaints quickly and with minimum formality.

### **Regulatory framework**

The regulations which apply in this matter are the Payment Services Regulations 2017.

### **Issue(s)**

Mrs M disputes that she authorised the Transactions. In other words, she says she did not consent to the money leaving her account. Therefore, the issue I must decide, on the balance of probabilities, is whether a third-party made the Transactions without Mrs M’s authority.

If I find that Mrs M did not consent to the Transactions, she may be entitled to a refund. If I find that she did consent – either because she made the payments herself or because she provided authority to someone else to make them – she will be liable for the Transactions and not entitled to a refund.

## **Key findings**

The investigator produced a thorough and detailed assessment. She also addressed Mrs M's responses to the assessment in the same way, providing Mrs M with technical evidence. As my findings align closely with the investigator's assessment and responses, I will keep my decision concise.

Lloyds Bank has provided evidence indicating that the Transactions were approved (first two payments) and made (final payment) using a Motorola device.

On 21 November 2024, a process was completed to register the Motorola device to Mrs M's Lloyds Bank mobile banking. Mrs M says she was not involved in the registration process. I do not accept this.

Mrs M's username, password, and three random characters from her memorable information would have been needed to complete the registration process. Mrs M has not provided any persuasive evidence to explain how a third-party could have obtained this information.

During the registration process, a four-digit code would have been displayed on the Motorola device. Thereafter, an authentication telephone call would have been made to the mobile number Lloyds Bank held for Mrs M requesting input of the code. Additionally, an SMS text message confirming the registration was sent to Mrs M's number. Mrs M denies receiving the authentication call, but she has not provided any compelling evidence to explain how the final stage of the registration process could have been completed without her involvement. For example, Mrs M has not provided anything to show that her mobile device was compromised at the time. Further, Lloyds Bank has said nothing flagged on its fraud detection systems indicating any call redirect or sim swap had taken place.

Mrs M's mobile number with Lloyds Bank was changed shortly after the Motorola device was registered, which she later reverted. I find it unusual that Mrs M did not raise any concerns about this with Lloyds Bank at the time. In any event, this point does not materially affect my assessment and does not change my view on the matters set out above

Taking all the above points together, I am not satisfied, on the balance of probabilities, that the Transactions were made by a third-party without Mrs M's authority. The evidence before me suggests that it is more likely than not that Mrs M consented to the transactions – either by making them herself or providing authority to someone else to do so. Accordingly, I do not find that Mrs M is entitled to a refund.

## **Conclusion**

Taking all the above points together, I do not find that Lloyds Bank has done anything wrong. Therefore, I will not be directing Lloyds Bank to do anything further.

In my judgment, this is a fair and reasonable outcome in the circumstances of this complaint.

## **MY FINAL DECISION**

For the reasons set out above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 5 February 2026.

Tony Massiah

**Ombudsman**