

The complaint

Mr Y and Ms A complain that Lloyds Bank PLC will not reimburse funds they lost to a scam.

Mr Y and Ms A are represented by a firm, but for ease I have only referred to Mr Y and Ms A in this decision.

What happened

Between April and July 2024 Mr Y made payments of approximately £7,675 from an account he held jointly with Ms A towards what he thought was a legitimate cryptocurrency investment.

Mr Y was contacted by someone via a messaging service and after some conversation, the scammer introduced him to the investment. Mr Y purchased cryptocurrency from an online cryptocurrency exchange before sending the funds on to the scammer. He realised it had been a scam when he tried to withdraw his funds but was unable to. Mr Y raised the matter with Lloyds but it didn't reimburse the money they lost nor did it uphold the complaint.

Our Investigator didn't think the complaint should be upheld. She said she didn't think there was anything unusual or suspicious about the transactions such that Lloyds should have stopped the payments or refused them altogether.

Mr Y and Ms A didn't accept our Investigator's opinion, as such the complaint as been passed to me for 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 have considered all the available evidence to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I have reached the same outcome as our Investigator and for similar reasons.

Taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice, Lloyds should have looked at the wider circumstances surrounding the transaction before making the payment and taken steps to keep its customer's accounts safe. Therefore, it ought to look out for payments which might indicate that its customer is at risk of financial harm due to fraud.

That said, there are many payments made by customers each day, and it is not reasonable to expect the bank to stop and check every payment instruction to try to prevent fraud or financial harm. There's a balance to be struck between the extent it intervenes in payments to protect customers, without unnecessarily disrupting legitimate payment instructions. And while banks ought to be aware that cryptocurrency related transactions carry a greater risk of fraud, that does not mean that all payments for the purchase of cryptocurrency are in fact fraudulent.

Having reviewed Mr Y and Ms A's account activity, I don't find the payments were sufficiently uncharacteristic or unusual for them to have caused Lloyds concern. The payments were not made in quick succession which commonly occurs where a scam is involved, rather the payments were mostly made days apart. When considered in the context of the vast number of payment instructions Lloyds receives, I don't find any of the payments were of significant value to have raised suspicion and to warrant intervention.

As Mr Y and Ms A are aware, the funds did not remain in the accounts the faster payments were made to but were sent on to the scammer, so unfortunately, I find there were no prospects of Lloyds recovering the funds they lost.

I have thought carefully about all that's happened here. I know it will be disappointing to Mr Y and Ms A, but I cannot fairly or reasonably hold Lloyds responsible for the loss and require it to reimburse them.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y and Ms A to accept or reject my decision before 8 December 2025.

Oluwatobi Balogun
Ombudsman