

The complaint

Miss H has complained that Lloyds Bank PLC won't refund the money she lost after falling victim to a scam.

What happened

In 2023, Miss H was recruited for a fake job by scammers posing as an online employer. She was offered a cryptocurrency salary to complete tasks on the scammers' platform. She had to pay her own funds in to boost her earnings, which she did by making card payments from her Lloyds account to her own crypto account, then sending crypto to the scammers.

Over the course of about a week, Miss H sent the scammers around £37,000. Lloyds intervened and questioned her about this. The scammers told Miss H she'd breach data protection rules if she disclosed her job. So Miss H told Lloyds she was investing in crypto, she was receiving advice from an old friend she knew physically, she wouldn't trust anyone she met online, only she had access to her account, and she could sell up whenever she chose. Lloyds warned her about crypto investment scams, and Miss H chose to proceed.

The scammers initially allowed Miss H to withdraw, but later told her she had to pay huge fees to access her earnings. She realised she'd been scammed.

Lloyds sympathised, but didn't think they were liable for Miss H's loss.

Our Investigator looked into things independently and didn't uphold the complaint. Miss H asked for an ombudsman's final decision, so the complaint's 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.

In doing so, I've taken into account everything which both sides have said and provided. But I won't necessarily go through every single point on a point-by-point basis, as a court might. We're an informal alternative to the courts, here to resolve complaints more quickly and with minimal formality. So I'll keep my decision focused on what I've found to be the key points.

I understand that Miss H fell victim to a scam, and so she has my sympathy. I appreciate this cannot have been an easy matter for her to face, and I appreciate why she would like her money back. It's worth keeping in mind that it's the scammers who are primarily responsible for what happened, and who really owe Miss H her money back. But I can only look at what Lloyds are responsible for. Having carefully considered everything that both sides have said and provided, I can't fairly hold Lloyds liable for Miss H's loss. I'll explain why.

It's not in dispute that Miss H authorised the payments involved. So although she didn't intend for the money to end up with scammers, under the Payment Services Regulations she is liable for the loss in the first instance. And broadly speaking, Lloyds had an obligation to follow her instructions – the starting position in law is that banks are expected to process payments which a customer authorises them to make.

Lloyds should have been on the lookout for payments which could be the result of fraud or scams, to help prevent them. But a balance must be struck between identifying and responding to potentially fraudulent payments, and ensuring there's minimal disruption to legitimate payments. I've thought carefully about whether Lloyds should have done more in Miss H's case.

Given factors like the size and speed of these payments, and them going to an unregulated crypto exchange, I think Lloyds should've intervened. So I'm glad to see they did. While of course Lloyds could have probed further or given stronger warnings, they did ask a set of reasonable questions and probed Miss H's answers. Unfortunately, the primary issue is that Miss H believed the scammers, and gave untruthful answers confidently, clearly, and with convincing details. Her answers were plausible, there was nothing in them which was contradictory or which indicated she was vulnerable or at immediate risk of harm, and she gave details which substantially reassured her bank, such as saying she was receiving investment advice from a friend she'd known in person for many years. That meant Lloyds didn't have good reason to conclude she was being scammed, and it meant the tailored warnings they set out for her were relevant to the investment situation she'd given them rather than to job scams.

Miss H's representatives felt Lloyds should've kept intervening as the payments continued and delved into her investment. But I wouldn't expect Lloyds to keep intervening over and over when they'd been reassured the activity was legitimate. Nor would I expect them to manually monitor Miss H's every payment to make sure she only made the number of payments she said she was expecting to. Lloyds were not there to run Miss H's finances for her, or to act as guarantors for all her payments, or to act as her crypto investment advisors. As set out before, they had to balance responding to potential fraud with ensuring there was minimal disruption to Miss H's legitimate payments – which she'd assured them these were. And the starting position in law is that Lloyds were expected to process her payments.

Even if Lloyds had intervened again on a later payment as the representatives suggested, it's unlikely this would've made a difference given Miss H was under the scammers' spell, she'd shown she trusted them over her bank, she believed that if she told her bank the truth she'd be breaking the law and putting her lucrative job at risk, and she'd so far been able to withdraw money. The further questions the representatives suggested were generally either already broadly covered, would've been relatively straightforward for Miss H to answer within her cover story, or were unlikely to uncover a job scam. And while Lloyds could've warned her more strongly, the primary reason their warnings weren't effective was due to Miss H's misleading answers. The warnings were tailored and relevant to her answers. Miss H acknowledged the risks and chose to proceed. And she did have her own responsibilities to keep her account safe.

Other points the representatives raised were, I'm afraid, not relevant. For example, I don't think it's notable that the first part of the intervention call was about verifying it was really Miss H making the payments, or that the staff member didn't know the exact block code off by heart. It makes sense they'd want to check the payments were authorised, and in any case they went on to deal with scams and asked some reasonable probing questions. Again, the main reason the intervention wasn't successful was the answers given by Miss H. They also raised the banking protocol, but that specifically relates to transactions made in branch, not to online payments and phone calls. They argued Lloyds should've shut down the account and called the police, but Lloyds didn't have sufficient reason to do that. The accepted response to Miss H's increased account activity was to intervene, which Lloyds did. As set out, the main reason they were unable to uncover the scam, and the main reason further intervention was unlikely to have made a difference, was down to Miss H's actions.

Lastly, I've considered what Lloyds did to try to recover Miss H's money after she told Lloyds about the scam. Unfortunately, as Miss H had sent the money to her own crypto account, then sent on the funds, it wasn't possible for Lloyds to recover the money. And as these were card payments to her own crypto account, they were not covered by the CRM Code for scams. Further, there was no chargeback reason which would've been appropriate here. A chargeback would've been a claim against the exchange rather than the scammers. And the exchange provided the service they were asked to. There was no realistic prospect of success for a chargeback, and chargebacks are voluntary. So Lloyds didn't need to try one in this case. And there was nothing more they could've reasonably done here to get Miss H's money back.

So while I'm very sorry to hear about what the scammers did to Miss H, I don't think Lloyds can fairly be held responsible for her loss. And so I can't fairly tell Lloyds to reimburse Miss H in this case.

My final decision

For the reasons I've explained, I don't uphold this complaint.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 13 August 2025.

Adam Charles
Ombudsman