

## **The complaint**

Mr S has complained that Lloyds Bank PLC won't refund the money he lost after falling victim to a scam.

## **What happened**

Mr S was introduced to a cryptocurrency investment scheme by a friend who'd already invested. Unfortunately, this turned out to be a scam.

Over the course of May to July 2024, Mr S sent over £6,000 from his Lloyds account to his own crypto account. He then sent crypto on to the scammers' platform. While he was initially able to withdraw, Mr S explained that in the end his account with the scammers was drained.

Mr S reported the scam to Lloyds. Lloyds explained they didn't think they were liable for Mr S's loss.

Our Investigator looked into things independently and didn't uphold the complaint. Mr S appealed, so the complaint's 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 understand that Mr S fell victim to a scam, for which he has my sympathy. I appreciate this cannot have been an easy matter for him to face, and I appreciate why he would like his money back. It's worth keeping in mind that it's the scammers who are primarily responsible for their own scam, and it's the scammers who really owe Mr S his money back. But I can only look at what Lloyds are responsible for. Having carefully considered everything both sides have said and provided, I can't fairly hold Lloyds liable for Mr S's loss. I'll explain why.

It's not in dispute that Mr S authorised the payments involved. So although he didn't intend for the money to end up with scammers, under the Payment Services Regulations he is liable for the loss in the first instance. And broadly speaking, Lloyds had an obligation to follow his 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 Mr S's case.

However, I don't think the payments involved were quite so unusual or out of character that Lloyds needed to intervene. While they went to Mr S's account on a crypto site, it was a site Mr S had used and received credits from a number of times in the preceding period. The payments were not of a remarkable size, and were quite spread out. The spending was never quite so large or rapid as to have been of particular concern, it was not especially out of character for this account, it didn't follow any particularly suspect pattern, and it was going to an account in Mr S's own name at an established payee. Lloyds were not required or expected to intervene every single time a customer did crypto-related spending, and I can't see that they had sufficient reason to find these payments particularly concerning.

So I don't find that Lloyds needed to intervene here and question or warn Mr S further.

I've then considered what Lloyds did to try to recover the money after Mr S told them about the scam. Unfortunately, it wasn't possible for Lloyds to recover funds which Mr S had already sent on in crypto from his other account. And any money remaining in Mr S's crypto account was still available to him, so there was nothing more for Lloyds to do there. As these were payments to Mr S's own crypto account, they were not covered by the CRM Code for scams. And I'm afraid there was nothing more that Lloyds could've reasonably done to get the money back here.

So while I'm very sorry to hear about what the scammers did to Mr S, I don't think Lloyds can fairly be held responsible for his loss. And so I can't fairly tell Lloyds to reimburse Mr S in this particular 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 Mr S to accept or reject my decision before 19 November 2025.

Adam Charles  
**Ombudsman**