

The complaint

Mr P complains that Lloyds Bank PLC (Lloyds) is refusing to refund him the amount he lost as the result of a scam.

Mr P is being represented by a third party. To keep things simple, I will refer to Mr P throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr P tells us he was cold contacted by an investment company I will call "X". X said it was able to make money on cryptocurrency and forex trading using AI and that it never loses.

As part of the investment process Mr P was required to download screen sharing software and was guided by X on how to setup a cryptocurrency wallet. X communicated with Mr P via well-known messaging applications.

Mr P says he carried out online research into X before sending payments and was given access to what appeared to be a legitimate trading platform, Mr P says the investment also appeared to be legitimate despite promising very high returns.

Mr P funded the investment via his own funds and taking various loans.

Mr P has been unable to withdraw his funds from the investment and has concluded that he has fallen victim to a scam. Mr P has disputed the following payments that he made from his Lloyds account to other accounts in his own name that were sent on as part of the scam:

<u>Payment</u>	<u>Date</u>	<u>Payee</u>	<u>Payment Method</u>	<u>Amount</u>
1	31 May 2023	Mr P	Transfer	£3,000.00
2	31 May 2023	Mr P	Transfer	£2,850.00
3	31 May 2023	Mr P	Transfer	£12.00
4	7 June 2023	Mr P	Transfer	£1,113.70
5	9 June 2023	Mr P	Transfer	£6,000.00
6	12 June 2023	Mr P	Transfer	£6,000.00
7	15 June 2023	Mr P	Transfer	£7,500.00
8	16 June 2023	Mr P	Transfer	£11,500.00
9	19 June 2023	Mr P	Transfer	£3,026.00
10	19 June 2023	Mr P	Transfer	£5,000.00
11	22 June 2023	Mr P	Transfer	£6,000.00
12	22 June 2023	Mr P	Transfer	£6,500.00
13	26 June 2023	Mr P	Transfer	£2,500.00
14	26 June 2023	Mr P	Transfer	£8,950.00
15	27 June 2023	Mr P	Transfer	£10,000.00
16	28 June 2023	Mr P	Transfer	£10,000.00

Our Investigator considered Mr P's complaint and didn't think it should be upheld. Mr P disagreed, so this complaint has 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.

Recovering the payments Mr P made

Mr P made the disputed payments in relation to the scam via transfer. When payments are made by transfer Lloyds has limited options available to it to seek recovery.

As the payments Mr P has disputed were made to other accounts in his own name that he would have had control over following the payments being made, and it took further steps for those funds to be moved to the scammer, any recovery attempts made by Lloyds would have no prospect of success.

Should Lloyds have reasonably prevented the payments Mr P made?

It has been accepted that Mr P authorised the payments that were made from his account with Lloyds, albeit on X's instruction. So, the starting point here is that Mr P is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Lloyds should have been aware of the scam and intervened when Mr P made the payments. And if it had intervened, would it have been able to prevent the scam taking place.

The payments Mr P made from his Lloyds account, although at time were significant in value, and on occasion more than one payment was made in a single day, they were all made to other accounts in his own name. Sending payments to an account in the same name as the account holder generally comes with a lower risk, as the customer stays in control of the funds after the payment is made.

In addition to the above, Mr P had previously made large payments of up to the value of £10,000 from his Lloyds account and it wasn't unusual for Mr P to make payments to accounts in his own name on a regular basis. The accounts Mr P sent the disputed payments to were already established payees that he had made payments to previously without any complaint.

With the above in mind, I don't think it was unreasonable that the disputed payments didn't trigger Lloyds' fraud detection systems and that it didn't intervene when the payments were made.

As I don't think it was unreasonable that the disputed payments didn't cause Lloyds concerns that Mr P may have been at risk of financial harm, I don't think it missed an opportunity to prevent the scam, and it is not responsible for Mr P's loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 3 September 2025.

Terry Woodham
Ombudsman