

The complaint

Mr A complains that Lloyds Bank PLC ('Lloyds') declined to refund him w

What happened

The circumstances of this complaint are well known to both parties, so I will not go into every detail of what happened here. But, in summary, Mr A told our service that in 2022 he was helping family members who lived internationally to secure jobs and visas in the UK. As part of the recruitment process, he was put in touch with someone by his brother-in-law. This person asked for funds for the certificate of sponsorship, visa applications, accommodation and car insurance. In light of this, between May and September 2022, Mr A made a series of payments which totalled around £24,000, the initial going to a care home company and the rest going to individual's accounts. Mr A said that when he didn't receive documentation he had been promised, he realised he may have fallen victim to a scam and contacted Lloyds.

Lloyds looked into what had happened and declined to refund the payments. It said that it:

- Did not think that Mr A had done enough to make sure he was paying a legitimate payee or protect himself. Whilst he researched the care home company, he then sent money to four different personal accounts. They also added that Mr A did not receive any invoices or paperwork to show in detail what exactly he was paying for before he sent the money;
- They did not need to intervene because the payments were not unusual or out of character for Mr A's account;
- Mr A was not truthful about the nature and purpose of the payments;
- Despite not needing to, they did intervene and spoke to Mr A about one of the payments. They said that Mr A said he was paying friends or family, and confirmed he got the details for the payment from a known and trusted person in real life and that he had already paid them from an account held with another business, too.
- They did all they could to try and get Mr A's money back, but the money had already left the receiving accounts.
- He had received over £46,000 from one of the beneficiary accounts.

Mr A was not happy. He said he had made some payments from another bank account he held with a different firm, and they had refunded him under the Contingent Reimbursement Model ('CRM') code. Mr A escalated his concerns to our service where one of our investigators looked into what had happened. They did not recommend that the complaint should be upheld. In summary, they said that whilst it was possible that Mr A had been the victim of a scam, there had been numerous credits into the account during the scam, and two credits from the alleged scammer totalling over £46,000 after the scam. So, they did not feel there was enough evidence that Mr A had suffered a loss here.

Mr A remained dissatisfied. He said that:

- He said the payments were all made using his own money. The payments into the account during the scam were from his self-employed work, currency exchange transactions from his personal account and savings.
- The £46,000 payments from one of the personal accounts he had sent money to as part of the scam was mostly unrelated to his losses on his Lloyds account. He said only about £3,500 related to his losses. He explained that the rest was connected to other transactions or recovery efforts outside of Lloyds, such as refunds for family members who had also lost out as part of the scam. So, Mr A claimed the majority of his Lloyds losses remained unrecovered.
- Even a refund in full here would leave him with financial losses – he was not looking to profit here. He said he had losses on an account held with another bank that were not refunded, and had spent around £10,000 in the pursuit of the scammers and justice.
- Another bank he held an account with had refunded him in full under the CRM Code.

Our investigator did not feel that this explanation had come with enough evidence that the £46,000 did not relate to his loss with Lloyds. Whilst only £3,500 had remained in his Lloyds account, most of the payments went to accounts held in either Mr A or his wife's name. There was no clear evidence of other victims being refunded from these funds. And so, they did not feel that there was enough evidence of a financial loss here. They said that the loss with the other financial firm would need to be raised with them directly, and that they accepted their explanation for source of funds outside of the £46,000.

Mr A provided evidence of payments made to individuals who he said had been victims of the fraud and were friends and family. Our investigator still felt that it would be strange for a scammer to send him such a large refund. They also did not understand why a scammer would send it all to him to distribute, and why he distributed it without ensuring his own losses were covered.

As no agreement could be reached, the case was 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.

Having done so, I have reached the same overall conclusion as our investigator, and for broadly the same reasons. I'll explain why.

Firstly, I am sorry for the situation Mr A has found himself in. I am not ruling out that he has fallen victim to a scam here, but my role is to assess what Lloyds did, against what it ought to have done. And, to determine if it would be fair and reasonable for them to reimburse any losses involved in a scam.

In this case, I do not think it would be fair for Lloyds to provide any reimbursement. I'll explain why. The starting position in law is that a bank like Lloyds is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the relevant regulations (in this case, the Payment Service Regulations 2017) and the terms and conditions of the customer's account.

In this case, there is no dispute that Mr A authorised the payments, even though he says he was tricked into doing so by the scammers. So, the starting position is that Lloyds is not liable for the transactions.

However, when considering the relevant rules, codes and best practice standards, there are some circumstances in which we would say that it would be fair and reasonable for a bank to reimburse their customer when they have fallen victim to a scam.

One of the key considerations in these cases is to determine what the total loss was in a case. And I am afraid to say, that I do not think that Mr A has suitably demonstrated a loss here. Mr A received funds totalling over £46,000 into his account after the scam. They come from an account which some of the scam funds went to. Mr A has explained that the scammer sent the funds back to him so that he could be reimbursed and provide reimbursement to other victims. It would be highly unusual for a scammer to refund their victims – and particularly to provide a refund in excess of one victim's loss so that they could reimburse other victims. This would be a particularly large refund – over double the substantial losses that Mr A says he incurred. Whilst some scammers send money to their victims, this is usually to incentivise them to send more money, which does not appear to be the case here. There is no evidence of correspondence with the scammer about this refund or what agreement they reached. Mr A says he wanted to pay back other victims as they were family, but it is unclear whether this was something agreed with a scammer or something he decided to do. Funds went from his Lloyds account to accounts held in his and his wife's names, and whilst there is some evidence of payments on, I have carefully considered them and do not think that there is not enough evidence to show that the funds returned did not cover his own loss. Considering all of this, I do not think it would be safe to conclude that Mr A suffered a loss here such that it would be fair and reasonable for Lloyds to pay him any funds.

My final decision

I do not uphold this complaint and do not require Lloyds Bank PLC to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 15 October 2025.

Katherine Jones
Ombudsman