

The complaint

Mr K complains that Lloyds Bank PLC won't refund the money he says he lost to a scam.

What happened

In 2022 Mr K engaged the services of a photographer (who I will call F) to provide photography and videography services for a wedding and another event. Mr K met with F and agreed that they would attend the events, take photographs and video, and then provide hard copies of photos, an edited video, and a USB with images and video. Mr K paid an initial deposit of £500, then made two further payments of £500 and £800. In total he paid £1,300 from his Lloyds account to two individuals linked with F. Mr K's wife also made payments to F from her account at a different bank.

F attended the events as agreed, but when the delivery deadline passed Mr K still had not received the photographs and video F had said it would supply. Eventually it appears that F did send Mr K a video, and Mr K asked for various edits to be made to that video, but Mr K says F has still not provided that re-edited video, nor has it provided any photographs or the USB that Mr K was expecting. Mr K felt that he had been scammed, so he contacted Lloyds to raise a scam claim.

Lloyds looked into what had happened, but said Mr K wasn't eligible for a refund under the relevant regulations as it didn't think he had been the victim of a scam. It said it thought this was more likely a private civil dispute between Mr K and F.

Unhappy with Lloyds' response, Mr K brought his complaint to this service and one of our investigators looked into things. But they agreed with Lloyds that this was most likely a civil dispute, and so Mr K was not entitled to a refund of the payments he had made. Mr K remained unhappy, he maintains that F has not fulfilled the agreed contract, and notes that the payments his wife made to F have been refunded by her bank, so he continues to believe that this should be classed as a scam.

As the case could not be resolved informally, it's been passed to me for a 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.

Having done so and having thought very carefully about Lloyds' actions, I agree with the findings set out by our investigator. I do appreciate how disappointing this will be for Mr K but, whilst I'm sorry to hear of what's happened, I don't think I can fairly hold Lloyds liable for the loss.

This is because not all cases where individuals have lost sums of money are in fact fraudulent and/or a scam. So, whilst I can quite understand why Mr K feels that this was a scam, there is a high legal threshold or burden of proof for fraud and there are a number of

potential reasons (other than a scam) for the breakdown in a relationship between two parties and for a dispute to exist.

When considering what is fair and reasonable in this case, I've thought about the Contingent Reimbursement Model Code (the CRM Code) which Lloyds has signed up to and which was in force at the time Mr K made these payments.

Under the CRM Code, the starting principle is that a firm should reimburse a customer who is the victim of an APP scam. So, I've thought about whether the CRM code applies in the circumstances of this complaint, and whether Lloyds therefore ought to reimburse Mr K under the provisions of the CRM Code.

The CRM Code only applies in very specific circumstances – where the customer has been the victim of an APP (authorised push payment) scam. Under the CRM Code, an APP scam is defined as:

“...a transfer of funds...where (i) The Customer intended to transfer funds to another person, but was instead deceived into transferring the funds to a different person; or (ii) The customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent.”

The CRM Code is also quite explicit that it doesn't apply to all push payments. It says:

“DS2(2) This code does not apply to:

(b) private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier.”

Fraudulent isn't defined in the CRM Code, but as the CRM Code specifically excludes civil disputes, I think I need to consider, as a first step, whether this was a scam (where a scammer takes money from a customer for no legitimate purpose) or a civil dispute (where a payment is made to a legitimate trading company or business, but there is some dispute about the goods or services that should have been supplied).

If this was a scam, or fraud – then banks (including Lloyds) must follow industry and regulatory guidance, including the CRM Code, to check certain payments and in some circumstances, protect customers by stopping the payments and contacting customers about them. And where banks haven't followed the guidance, they can be asked to refund them. But where payments are made to a legitimate business for a legitimate reason, then such principles don't apply. This is then classed as a civil dispute, and for which banks normally have no liability.

Having thought very carefully about all that Mr K has said, and about the evidence provided by all parties to this complaint, I'm not persuaded that I can safely say with any certainty, based on what I know and what the evidence shows, that F set out with an intent to defraud Mr K.

I say this for the following reasons:

- F did attend the events as agreed and take footage.
- While Mr K may not have received all that he paid for, it is clear that F did send Mr K a video from one of the events.
- F told Lloyds that it had sent Mr K a Google Drive link to the photos and videos. Mr K

says that link is broken, but that doesn't mean that the photos and videos were never uploaded.

- F appears to still be operating, with a presence online and on Companies House, and we have had confirmation that the recipient accounts that Mr K paid did not receive any other scam reports prior to Mr K's claim.

All of this leads me to consider that F was more than likely attempting to operate legitimately at the time these payments were made. F attended the events as agreed, took photos and video footage, carried out some of the editing, and provided at least one video. I acknowledge that Mr K has still not received all that he paid for, and that the video he did receive was not up to scratch, but there are many reasons, other than fraud, why a legitimate business may fail to provide what has been agreed or do substandard work. A business may act unprofessionally but still be carrying out legitimate business, and this service isn't in a position to forensically analyse F's actions here; we must consider the evidence that is before us. And, in doing so, I've not seen persuasive evidence that F set out to defraud Mr K.

With this in mind, I'm satisfied that F was operating a legitimate business, I therefore think it is fair to consider it a legitimate supplier. And it's clear from what has happened that Mr K paid F for services but feels he was not provided with those services, so I'm satisfied that this situation meets the definition of a civil dispute as set out in the CRM code, this means that Mr K is not entitled to a refund from Lloyds under the Code. This is not to say that there is no issue at all between Mr K and F, clearly there is. But that does not mean that it would be fair to hold Lloyds liable for Mr K's losses here.

I know this will be a huge disappointment to Mr K. I appreciate how strongly he feels about this case, and that not only has he lost a significant amount of money here, but he's also lost a record of what was undoubtedly a very special day. But for the reasons I've explained above, I do not consider that the payments in dispute here are covered under the CRM Code, or that it would be fair to hold Lloyds responsible for the money lost under any of the other relevant regulations or guidance.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 13 November 2025.

Sophie Mitchell
Ombudsman