

The complaint

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

Mr S is being represented by a third party. To keep things simple, I will refer to Mr S 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 S tells us that he was looking for an additional income online and came across a company I will call "X". Mr S says he carried out online research and was unable to find anything negative about X which would give him cause for concern.

There is some confusion about the type of scam Mr S experienced but based on the information available it appears X was operating an investment/trading scam.

Mr S made multiple payments in relation to the scam and even took multiple loans to fund the payments. But when he tried to make a withdrawal X gave reasons why Mr S would have to make further payments first, and Mr S realised he had fallen victim to a scam.

Mr S has disputed the following payments made from his Lloyds account:

Payment	Date	Payee	Payment Method	Amount
1	14 August 2024	Binance	Debit Card	£550
2	20 August 2024	Binance	Debit Card	£300
3	26 August 2024	Binance	Debit Card	£500
4	26 August 2024	Binance	Debit Card	£600
5	26 August 2024	Binance	Debit Card	£500
6	27 August 2024	Binance	Debit Card	£500
7	27 August 2024	Binance	Debit Card	£500
8	28 August 2024	Binance	Debit Card	£600
9	28 August 2024	Binance	Debit Card	£600
10	28 August 2024	Binance	Debit Card	£650
11	30 August 2024	Binance	Debit Card	£50
12	30 August 2024	Binance	Debit Card	£50
13	30 August 2024	Binance	Debit Card	£30
14	30 August 2024	Binance	Debit Card	£550
15	30 August 2024	Binance	Debit Card	£25
16	30 August 2024	Binance	Debit Card	£1,400
17	03 September 2024	Binance	Debit Card	£1,500
18	03 September 2024	Binance	Debit Card	£1,500
19	03 September 2024	Binance	Debit Card	£1,500
20	03 September 2024	Binance	Debit Card	£1,000

21	03 September 2024	Binance	Debit Card	£1,000
22	03 September 2024	Binance	Debit Card	£300
23	05 September 2024	Binance	Debit Card	£1,500
24	05 September 2024	Binance	Debit Card	£1,500
25	05 September 2024	Binance	Debit Card	£1,500
26	05 September 2024	Binance	Debit Card	£1,500
27	06 September 2024	Binance	Debit Card	£1,500
28	06 September 2024	Binance	Debit Card	£1,500
29	06 September 2024	Binance	Debit Card	£1,500
30	06 September 2024	Binance	Debit Card	£1,500
31	06 September 2024	Binance	Debit Card	£1,500
32	06 September 2024	Binance	Debit Card	£1,450
33	06 September 2024	Binance	Debit Card	£40
34	12 September 2024	Binance	Debit Card	£650
35	15 September 2024	Binance	Debit Card	£2,000
36	16 September 2024	Binance	Debit Card	£2,000
37	16 September 2024	Binance	Debit Card	£2,000
38	16 September 2024	Binance	Debit Card	£1,500
39	16 September 2024	Binance	Debit Card	£400
40	22 September 2024	Binance	Debit Card	£1,000
	22 September 2024	Binance	Debit Card	£2,000
	22 September 2024	Binance	Debit Card	£2,000
	22 September 2024	Binance	Debit Card	£1,000
	22 September 2024	Binance	Debit Card	£1,000
	22 September 2024	Binance	Debit Card	£1,000
	22 September 2024	Binance	Debit Card	£1,000
41	25 September 2024	Binance	Debit Card	£2,000
42	25 September 2024	Binance	Debit Card	£2,000
43	25 September 2024	Binance	Debit Card	£2,000
44	25 September 2024	Binance	Debit Card	£2,000
	25 September 2024	Binance	Debit Card	£2,000
	25 September 2024	Binance	Debit Card	£500
	25 September 2024	Binance	Debit Card	£100
45	25 September 2024	Binance	Debit Card	£2,000
46	25 September 2024	Binance	Debit Card	£1,240
47	26 September 2024	Binance	Debit Card	£602

Our Investigator considered Mr S's complaint and didn't think it should be upheld. Mr S 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.

It has not been disputed that Mr S has fallen victim to a cruel scam. The evidence provided by both Mr S and Lloyds sets out what happened. What is in dispute is whether Lloyds should refund the money Mr S lost due to the scam.

Recovering the payments Mr S made

Mr S made payments into the scam via his debit card. When payments are made by card the only recovery option Lloyds has is to request a chargeback.

But Mr S didn't make the disputed payments to the scammer directly. Instead, Mr S made the payments to a known cryptocurrency exchange in exchange for cryptocurrency. As there is no dispute that cryptocurrency was provided to Mr S in exchange for the payments he made, and it took further steps for those funds to end up in the hands of the scammer any attempt to recover the payments Mr S made would have no prospects of success.

Should Lloyds have reasonably prevented the payments Mr S made?

It has been accepted that Mr S authorised the payments that were made from his account with Lloyds, albeit on X's instruction. So, the starting point here is that Mr S 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 stepped into question Mr S about the payments he was making. And if it had questioned Mr S, would it have been able to prevent the scam taking place.

The first payments Mr S made in relation to the scam, although going to a known cryptocurrency exchange, were not of such a high value that I would have expected Lloyds to have cause for concern.

However, I think it could be argued that Lloyds should have had cause for concern when Mr S made payment 16. At this point Mr S was making the sixth payment in the same day to the same cryptocurrency exchange, and the values of the payments Mr S was making were starting to increase.

I think that a proportionate intervention would have been for Lloyds to have asked Mr S a series of questions with the aim being to find the circumstances leading to the payments and then to provide an appropriate warning. I can't see that Lloyds provided a warning like that I've explained it should have at the time, but even if it had done, I don't think it would have made a difference. I will explain why.

Lloyds did intervene when Mr S attempted other payments in relation to the scam.

On 22 September 2024 a call took place between Lloyds and Mr C, Mr C had attempted several payments that had not been successful. Mr S confirmed he was:

- Sending money as he was selling a property in America where he had to pay various bills
- Converting his funds as he would be charged lower fees
- The property was in Florida – Adella

Lloyds explained it had concerns about the payments Mr S was attempting to make and that it believed the payments were part of a scam, and Mr S would lose his funds. If Mr S wanted to continue with the payments, he would have to attend his local branch with supporting documentation to discuss the payments in more detail.

Mr S then confirmed:

- He was making payments in relation to a trading app
- He was speaking to X via a known messaging application
- He was being asked to make additional payments in relation to tax
- His investment had increased from the £15,000 he had paid in to £79,000

- He did own a property, but it was in another country and not in America

Lloyds told Mr S:

- Having done an internet search on the app Mr S was using it appeared to be a known scam
- Mr S would not need to pay tax before making a withdrawal if the investment was genuine
- The profit he had made appeared too good to be true and was typical of the type of scam
- Real financial analysts do not communicate via the messaging application Mr S was using
- Mr S should contact the police and the cryptocurrency exchanges

Lloyds told Mr S several times during this call that he was falling victim to a scam and that he would need to attend a branch with supporting paperwork, Mr S should also take a family member with him to the branch. From listening to the call, it's clear that Mr S understood he had likely fallen victim to a scam.

On 23 September 2024 Mr S attended a Lloyds branch and Mr S was required to speak to the police. Having spoken to the police Mr S confirmed he would not be going forward with the payments until he had checked out X in more detail and was happy that he was dealing with a legitimate business. As Mr S had spoken to the police and confirmed he wasn't moving forwards with any further payments his account was unblocked.

On 25 September 2024 Mr S attended the branch again as he had been unable to use his card. Mr S confirmed that he had carried out further research with a family member and was happy he was not being scammed and that he took full responsibility. Lloyds then removed the blocks on Mr S's account and advised him it would not be able to recover any lost funds.

With the above in mind, I think Lloyds provided proportionate interventions to the risks the payments presented. Mr S was advised it was likely he was falling victim to a scam on multiple occasions, and he even spoke to the police about the payments. Despite all of this Mr S was still convinced X was a genuine business and the payments he was making were genuine.

While I think Lloyds could have intervened sooner than it did, I don't have enough to say the outcome would have been any different. I think it's most likely that if Lloyds did intervene sooner in the same way it did later in the scam, it's likely that having carried out further research Mr S would still have been convinced X was genuine and have continued with the payments as he did following the multiple warnings and his discussion he had with the police.

Even if Lloyds had refused to allow Mr S to make any further payments from his Lloyds account, I still think Mr S was so convinced that the investment was genuine that he would have found another way to make payments.

Overall, I don't think Lloyds missed an opportunity to prevent the scam and it is not responsible for Mr S's loss.

Mr S has told us that he thinks Lloyds should have done more to protect him from financial harm, but for the reasons I've outlined above this does not change my decision.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 4 December 2025.

Terry Woodham
Ombudsman