

The complaint

Miss K complains that Lloyds Bank PLC won't refund the full amount of money she says she lost to a scam.

What happened

The background to this complaint is well-known to both parties, so I won't repeat it in detail here. But in summary and based on the submissions of both parties, I understand it to be as follows.

Miss K complains that in 2019 she sent several payments from her account held with Lloyds to what she believed was a legitimate investment.

Miss K got some of her money back shortly after sending it but says she found out recently that where she invested was a scam. So, she logged a complaint with Lloyds.

Lloyds looked into the complaint but didn't uphold it. So, Miss K brought her complaint to our service.

Our investigator looked into the complaint but didn't uphold it. Our investigator didn't find the payments reached an amount that ought to have concerned Lloyds or its automatic payment checking systems.

As Miss K didn't agree with our investigator's view, the 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.

I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the significant part here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Where the evidence is incomplete, inconclusive, or contradictory, I must make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

In line with the Payment Services Regulations (PSR) 2017, consumers are generally liable for payments they authorise. Lloyds is expected to process authorised payment instructions without undue delay. As a bank, it also has long-standing obligations to help protect customers from financial harm from fraud and scams. But those are predicated on there having been a fraud or scam. So, to start, I've considered whether Miss K was a victim of a

scam.

Having considered the information Miss K and her representative have sent to support her claim that she was scammed, I'm not satisfied it shows me more than Miss K making a transfer of funds to a company - then withdrawing some of it back.

Miss K hasn't sent any evidence of contact with a scammer or someone asking her to transfer money, or most importantly that he suffered a loss after the money left her account.

Miss K and her representative have said that all the communication was done over the telephone and her email system was rebooted, and for that reason no information can be retrieved. I've thought about this point carefully, but I would still expect some written communication to be retrievable considering she has said she was investing in cryptocurrency through a company that looks to have been trading in CFD's— as it's likely that her money would have needed to be purchased or converted before being sent on.

That said, even if I were to be satisfied Miss K had fallen victim to a scam based on the testimony she has given, I'm unable to establish the actual loss she claims to have suffered. This is because I can't be satisfied that Miss K didn't benefit from some of the transactions due to an absence of evidence of why they were made, along with many coming back to an account in her own name. And without being able to establish the loss actually suffered (if any), I can't fairly or reasonably direct Lloyds to refund Miss K the disputed transactions.

So based on everything I've seen, on balance, I'm not persuaded or satisfied it's been sufficiently demonstrated that Miss K made these payments to a scam, and it created a loss. This is because of Miss K's lack of evidence to show that she was in contact and convinced by a scammer to send money, or something to show what the money was used for and where it ended up.

It's worth noting that I've also not found any negative information about the company Miss K sent the money to at the time she made the payments. In fact, the opposite exists and it appears they were operating under several regulatory bodies to trade CFD's on behalf of customers. This is mentioned in several of the online papers published by the Financial Conduct Authority. Much of the negative information around its trading practices, and the revoking of it being able to sell investments in the UK were published after Miss K had sent her money.

So, although I've explained Lloyds has obligations when its customers are sending payments, these are predicated on there having been a fraud or scam. I know Miss K will be disappointed by this outcome. But for the above reasons, I don't find Lloyds has acted unfairly by not providing a refund.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 26 November 2025.

Tom Wagstaff
Ombudsman