

## **The complaint**

Miss E has complained that Rightcard Payment Services Limited, trading as Lemfi, won't refund money she says she lost to a scam.

## **What happened**

The details of the complaint are well known to both parties, so I will not repeat them again here. Instead, I will focus on giving the reasons for my 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.

I'm sorry Miss E has been the victim of a scam, and I don't underestimate the impact this has had on her. But while I accept Miss E has lost a lot of money due to being deceived by the scammer, I must consider whether Lemfi is responsible for the loss she has suffered. And, I don't think they are.

In broad terms, the starting position in law is that an EMI is expected to process payments that their customer authorises them to make. It isn't disputed that Miss E authorised the payments from her Lemfi account. Therefore, under the Payment Services Regulations and the terms of her account, Lemfi is expected to process Miss E's request, and she is presumed liable for the loss in the first instance.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable in July 2024 that Lemfi should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment.
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

Having considered Miss E's account activity I am satisfied that the disputed transactions were in line with her usual spending on the account. I say this because, neither the value, pattern or destination stood out as unusual, she had made payments of a similar amount previously to similar destinations. While I accept that the amount of money Miss E sent is

clearly significant to her, this doesn't in itself suggest a heightened risk of fraud. And it's important to note that there is a difficult balance to be struck between firms identifying payments that could potentially be fraudulent and minimising disruption of legitimate payments. It would be impossible to prevent all fraud without a significant number of genuine payments being delayed considerably and inconveniently.

Miss E has said that Lemfi didn't provide adequate warnings prior to her making the payments. However, Lemfi has said it did provide warnings prior to each payment being sent and has provided an example of what Miss E would have seen. However, I haven't been provided anything to substantiate that Miss E definitely received these warnings. Regardless of this though, as I have highlighted above, I wouldn't have reasonably expected Lemfi to have issued any warning given the risk the payments presented. And so, even it wasn't provided, I don't think means Lemfi is responsible for Miss E's loss.

I've also thought about whether Lemfi could have done more to recover the funds once it became aware of the situation, as in some circumstances the money can be recovered. Lemfi has shown that once Miss E reported the scam it contacted the recipient bank, in line with what we expect. The recipient bank asked Lemfi for a court order (to extend the restriction they had placed on the receiving account beyond their normal 72 hours to recall the funds). Miss E has said this was unreasonable. And while I don't agree, even if it hadn't had done so, I am satisfied it is highly unlikely the funds would have remained in the recipients account due to the nature of the scam.

It follows that, while there are circumstances where it might be appropriate for Lemfi to take additional steps or make additional checks before processing a payment, for the above reasons, I think at that time it was reasonable for Lemfi to assume the payments were being made for legitimate purposes. And so, I think it was reasonable for Lemfi to process the payments upon receiving Miss E's instruction(s).

### **Putting things right**

I accept that there were some service failings from Lemfi while it was investigating Miss E's complaint. Our investigator recommended that Lemfi pay Miss E £100 for the distress and inconvenience it caused. And having reviewed the service provided I am satisfied this is fair and reflects the inconvenience Miss E suffered.

### **My final decision**

My final decision is that I uphold the complaint and require Rightcard Payment Services Limited, trading as Lemfi, to pay Miss E £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 24 November 2025.

Jade Rowe  
**Ombudsman**