

The complaint

Mrs H complains that Lloyds Bank Plc didn't do enough to protect her against losing money to what she says was a scam.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide an overview of some of the key events here.

On 30 October 2023 Mrs H contacted Lloyds and said that in June 2018 she'd fallen victim to a scam orchestrated by a company 'A'. She says she sent a 'wire transfer' for £1,514.18 through her Lloyds account. She alleged various failings by Lloyds and was seeking reimbursement of that sum.

On 20 December 2023 Lloyds wrote to Mrs H and said that they had limited information available due to the passage of time. They said what they could see from their records was that a dispute was raised on 15 August 2018, but that this was unsuccessful. They declined to offer any redress and provided referral rights to our service.

On 30 December 2023 Mrs H contacted Lloyds again. This time she mentioned two other companies that I'll refer to as 'A2' and 'C'. This referred to a loss of £35,000 as a result of money transferred from her account.

There is further evidence in the form of a letter Mrs H sent to Lloyds in March 2024 which again set out that she'd been scammed by A, A2 and C. This letter said her loss was £36,514.18. Lloyds provided further responses which in summary still didn't offer any redress and the matter was referred to our service.

Mrs H's complaint was considered by one of our Investigators who didn't recommend it should be upheld. In summary he said that Mrs H hadn't evidenced the majority of the amount she was claiming. But he did comment on a debit card payment to A in April 2018. And whilst he thought Lloyds should've done more than they did, he didn't think this would've made a difference and so he didn't ask them to do anything further.

Mrs H didn't accept this outcome and has asked for an Ombudsman to review her complaint.

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've reached the same outcome as our Investigator and for similar reasons. I know this will be disappointing for Mrs H, so I'll explain why.

Firstly, Mrs H has made some detailed submissions in support of her complaint. And I've read and considered all that has been sent in. But I don't intend to respond in similar detail. So if I don't mention a particular point or piece of evidence, it isn't because I haven't seen or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

Whilst Mrs H has mentioned losses totalling around £35,000. I've not seen evidence to support payments of that value leaving her Lloyds account. Our Investigator asked Mrs H to provide evidence of statements detailing her loss, and she hasn't done so. So, I've considered the complaint on the basis of what I can see on the statements provided by Lloyds. This doesn't show any payments that I can identify as going to A2 or C and only a couple of payments to A which I'll come to below.

Lloyds first obligation is to follow the payment instructions provided by their customers such as Mrs H. But they should also be alert to the possibility of fraud, scams and the misappropriation of funds and do what they can to protect their customers from these risks. I also think it is important to note that I can only fairly consider Lloyds' actions from 2018 in the context of what could fairly be expected at that time. Clearly the fraud and scam landscape is constantly changing and expectations on banks have generally increased over time. But it wouldn't be fair to apply 2025 standards or expectations to events that took place seven years earlier.

I note that the Financial Conduct Authority (FCA) published a warning about A in March 2018. This warning didn't explicitly say that A were operating a scam. But it did warn that A were offering financial services to customers in the UK, without the FCA's authority to do so.

I can see that Mrs H made a debit card payment to A of around £177 which shows on her statement on 23 March 2018. There is also a credit back into Mrs H's account from A on 27 March 2018 for £35.10. Firstly, I don't think there was any reason for Lloyds to have intervened in either of these payments. There is no detriment to the Mrs H in relation to the incoming payment, and given the value of the £177 payment, the risk it would've prevented and the fact that the FCA warning had only been displayed on the FCA's website for a short period of time prior to that payment being made – I don't think it's reasonable to have expected any type of intervention or action from Lloyds.

However there is a later, larger debit card payment (also to A) which shows on Mrs H's statement on 11 April 2018 and was for £1,841.44. By the time of this payment, the FCA's warning had been up for more than 30 days. And Lloyds is aware (through other decisions issued by our service), that we'd generally expect them to intervene when customers make payments going to merchants that the FCA has provided warnings about. So I won't go into greater detail on this point before considering what could reasonably have been expected at the time.

I would've expected Lloyds to have blocked the payment and to have shared the fact that the FCA warning existed with Mrs H. This too would've provided an opportunity to have asked further questions and to have provided appropriate warnings. But I'm not persuaded that a level of intervention that could fairly have been expected (in the context of the value of the payment and the information on the FCA warning) would've prevented Mrs H from continuing with her payment.

I say this because Mrs H's own submissions to our service say that she was closely following the guidance of the scammers including them advising her on how to respond if the bank raised any concerns. She says their phone calls were very convincing, and they spoke of regulations and legitimacy making her believe them to be trustworthy. So, on balance, I think it's more likely than not that even if Lloyds had intervened and provided warnings, that

Mrs H would've followed the scammers guidance as to how to respond to questions from Lloyds. And that she similarly would've been reassured by the scammers and would've continued with her payment. Overall, because I don't think what could reasonably be expected of Lloyds would've made a difference, I can't fairly say that they are responsible for Mrs H's loss arising from the payments to A.

I note Mrs H has raised several additional points in response to our Investigators view. These include that she thinks Lloyds should educate their customers about scams, monitor accounts and have fraud detection systems as well as collaborating with law enforcement. I've considered all these points and none of them change my mind as to the outcome of this complaint. Lloyds will have made scam prevention information publicly available for a number of years. And in the circumstances of this complaint, I don't think they needed to have done more to have pro-actively educated Mrs H individually about potential scams. I agree that Lloyds should monitor their accounts to try to detect fraud and scams, and I've covered this above. And I've not seen any evidence to support that Lloyds failed to co-operate with the police or other law enforcement in such a way that it contributed to the loss Mrs H is claiming.

I've also thought about whether Lloyds should've done more to help Mrs H to try to recover her payments to A once they were on notice of a problem. The information from Lloyds suggest that a dispute was raised in 2018 but was unsuccessful. Due to the passage of time, Lloyds hasn't been able to provide detailed evidence of this. I don't think this is unreasonable as this is beyond the time period that I'd expect Lloyds to keep records for. And I know that there are strict evidential requirements for a successful chargeback for card payments to any type of alleged investment, with only limited opportunities for success. With these factors in mind, I don't think it's more likely than not that Lloyds incorrectly handled the chargeback in a way that caused detriment to Mrs H.

I'm sorry to hear that Mrs H lost the money she did. But my role requires that I remain impartial, so despite my natural sympathy for her situation, I can only require Lloyds to do more if I think they can fairly be said to be responsible for the loss (or a part of it). And for the reasons I've set out, I don't think this is the case and so I'm not upholding this complaint.

My final decision

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 2 September 2025.

Richard Annandale
Ombudsman