

## **The complaint**

Mr A complains that Lloyds Bank Plc didn't do enough to protect him from the financial harm caused by an investment scam

## **What happened**

In early 2024 Mr A was introduced to an investment opportunity through his friend (Mr S). The circumstances of the scam are that Mr A opened up various accounts with different cryptocurrency exchanges which he transferred funds to. He then transferred the cryptocurrency on to another cryptocurrency account which the scammer had access to.

Mr A says that he lost around £72,000 to the scam. Lloyds has said that some of the payments flagged, and they spoke to Mr A and provided him with warnings about scams. Satisfied with Mr A's answers, they allowed the transfers to go through.

Our investigator concluded that Lloyds had asked open and probing questions about some of the transactions and that Mr A didn't disclose the actual reason for the transfers. He also mentioned that Lloyds provided education on investment scams. So, he was persuaded that further intervention wouldn't have prevented Mr A's loss.

## **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 conclusion as our investigator. And for largely the same reasons. I'm sorry to hear about Mr A's circumstances. I know this will come as a disappointment to him, so I'll explain why.

I'm satisfied Mr A authorised the payments for the purposes of the of the Payment Services Regulations 2017 ('the Regulations'), in force at the time. So, although he didn't intend the money to go to the alleged scammers, under the Regulations, and under the terms and conditions of his bank account, Mr A is presumed liable for the loss in the first instance.

Although Mr A did authorise the disputed payments Lloyds is expected to process payments and withdrawals that a customer authorises it to make. But where the customer has been the victim of a scam, it may sometimes be fair and reasonable for the bank to reimburse them even though they authorised the payment.

## ***Prevention***

I've thought about whether Lloyds could have done more to prevent the payments. Lloyds ought to fairly and reasonably be alert to fraud and scams, so I need to consider whether it ought to have intervened to warn Mr A when he tried to make the payments. If there are unusual or suspicious payments on an account, I'd expect Lloyds to intervene to help protect Mr A from financial harm due to fraud. I can see that there were times where Lloyds did

intervene and ask further questions and I've considered Mr A's responses alongside whether Lloyds' interventions were proportionate.

The £3,000 transaction that occurred on the 13 February 2024 meant that Mr A was transferring over £10,000 to an identifiable cryptocurrency exchange within 24 hours. Based on the 12 months of statements I have reviewed prior to this transaction, this is out of step with his normal account activity. Because of this and considering the amount he was transferring, I think Lloyds should have intervened and asked further questions about the circumstances surrounding this payment.

To gauge the effectiveness of such an intervention, I've reviewed the calls that took place on 6 March 2024, 8 March 2024, 9 March 2024, 17 March 2024, and 18 March 2024. During these interactions, Mr A told Lloyds that he was transferring funds to his own cryptocurrency account, that nobody else had access to this account, and that nobody had instructed him to move funds either into the account or on from it. However, this was not correct because he was transferring the funds on from his cryptocurrency account into one controlled by the scammer. Lloyds made it clear to Mr A that if a broker was involved this would indicate with certainty that the investment was a scam. Despite this, Mr A didn't disclose that a third party was involved. In another call he also said that nobody was advising him. Because of Mr A's answers, Lloyds was unable to detect that Mr A was at risk of financial harm.

In addition, the limited chat history I've seen between Mr A and the scammer suggest he viewed the scammer as an "expert", and he expressed happiness at the idea that they were "in it together". It appears that Mr A only began to question the scammer's conduct in May, after he had paid a withdrawal fee, but still did not gain access to his funds. I have also been provided with some messages from July, which show that Mr A was still engaging with the scammer months after the disputed transactions ended in April.

Further, Mr A accepts that he was coached by the scammer and was told "what to say and how to say it" – and that this included answering questions posed by Lloyds about the payments he was making.

I'm therefore satisfied that if Lloyds had asked probing questions around the circumstances of the £3,000 payment on 13 February 2024, Mr A would have reverted to the scammer on how to answer and would likely have done so in such a way to avoid alerting Lloyds to the scam.

I'm also persuaded that a tailored warning about the risks of cryptocurrency investment scams wouldn't have resonated with Mr A and stopped him from proceeding with the payments – given the level of trust he put in the scammer, and that he was introduced to the investment by a friend.

I've considered whether there were any further opportunities to intervene, and I think that Lloyds arguably also could have questioned Mr A about the two £6,000 transactions which occurred on 15 February 2024, especially considering that in total Mr A had transferred £10,000 to the cryptocurrency exchange the day before. But for the reasons I've already discussed, I don't think this would have changed the outcome.

There were also other payments where Lloyds could have intervened, specifically when Mr A was transferring more than £3,000 to an identifiable cryptocurrency exchange within 24 hours. But it's worth pointing out that the cryptocurrency exchange was a well-established payee by this point. And some of these transactions occurred after Mr A had already spoken to Lloyds and provided some context around the payments he was making to a cryptocurrency exchange. So Lloyds could have provided a tailored written warning relevant to cryptocurrency investment scams, I don't think it's unreasonable that it didn't.

Whilst Mr A has undoubtedly been the victim of a cruel scam, I can only uphold his complaint if I'm satisfied Lloyds' failings resulted in Mr A's loss. For the reasons given, I'm not persuaded it would have.

### *Recovery*

I don't think there was a realistic prospect of a successful recovery because Mr A paid an account in his own name and moved the funds onwards from there.

### *Compensation*

The main cause for the upset was the scammer who persuaded Mr A to part with his funds. I haven't found any errors or delays to Lloyds's investigation, so I don't think he's entitled to any compensation.

I'm sorry to hear Mr A has lost money and the effect this has had on him. But for the reasons I've explained, I don't think Lloyds is to blame for this and so I can't fairly tell it to do anything further to resolve this complaint.

### **My final decision**

For the reasons given 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 Mr A to accept or reject my decision before 28 October 2025.

Sureeni Weerasinghe  
**Ombudsman**