

The complaint

Mr C complains that Lloyds Bank PLC ('Lloyds') won't reimburse the funds he lost when he fell victim to a scam.

What happened

The investigator set out the facts in detail so I will only summarise them here.

Mr C says that a business contact introduced him to an investment with a company I'll refer to as V in this decision. This contact set up a meeting with a few other potential investors, the head of trading and a fund manager I'll refer to as J. Mr C understood the investment was in foreign exchange and that he could expect a return of 5 to 10% a month depending on trading performance.

Mr C decided to invest and made a payment to J of £20,000 on 7 November 2022 from his Lloyds account. The payment then showed on V's platform.

Mr C says that there were weekly webinar meetings as well as messages and emails to update him about the progress of his investment. He says he realised he was the victim of a scam when he was told the FCA had stopped V from trading and were conducting an investigation. Through a professional representative, Mr C complained to Lloyds in March 2024.

Lloyds said that the information that is currently available suggests that Mr C's investment with V was genuine but unsuccessful, which means it can't consider a claim under the CRM Code. Lloyds went on to say that if, following the FCA investigation, there was evidence of an intent to defraud it would reconsider Mr C's claim.

Mr C was unhappy with Lloyds' response and brought a complaint to this service.

Our investigation so far

The investigator who considered this complaint didn't recommend that it be upheld. Whilst she was satisfied V operated a scam, the investigator raised concerns about the source of funds given that there were a lot of credits from multiple sources in the period leading up to the scam. She noted that although she had requested information and evidence about the source of funds, not enough had been provided to fairly establish how much of the loss claimed, if any, represents a loss to Mr C.

Mr C, via his professional representative, didn't agree with the investigator's findings. He said:

- The money transferred to J was his own. The funds he received were due to him for services already provided and were not loans or investments made on behalf of others. Mr C says he was engaged in a separate investment scheme with a company I'll call T. A feature of that investment was a peer-to-peer internal transfer system through which participants could sell stock internally. Mr C sold portions of his stock and received payments from multiple third-party buyers into this account. The funds were then transferred to his account with V and invested for his own benefit. T's online system is no longer working, and he has no other record of the transactions.
- Mr C also owned buy-to-let properties and received payments from tenants and letting agencies - but no longer has access to tenancy agreements for the relevant

time.

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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – in other words on what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

Having carefully considered the information provided I have reached the same outcome as the investigator and for the same reasons.

The investigator set out in detail why she thought it is more likely than not that V was operating a scam, so Mr C's claim is covered by the CRM Code. I agree with her findings. But, given what I am about to cover, I don't see any merit in setting this out in my decision.

I'm not persuaded Mr C has evidenced that the loss was his. As the investigator has highlighted, he received funds from numerous third parties. Mr C has told this service that some credits to the account related to a separate investment scheme with T and a service he provided. He hasn't evidenced this in any way though and says that T's online system is no longer working and he has no other records. Mr C says that he also received credits from tenants but, again, has provided no evidence in support and says he no longer has tenancy agreements.

I recognise that the payment was made at the end of 2022, but I would expect Mr C to be able to provide some evidence that the loss from his Lloyds account was his.

In any event, even if Mr C had proved his loss, I'd need to decide whether Mr C has suffered a loss that Lloyds could be responsible for. So, I would need to be satisfied that the payment from Mr C's Lloyds account was used to invest in V. Mr C has sent this service deposit confirmation emails from V that were sent to him in early November 2022. Each one refers to a trading start date of 14 November 2022. The confirmations relate to payments of £20,000, £15,000, £12,390, £15,000, £10,000, £20,000, £10,000 and £10,000. It's possible that one of these deposit confirmations relates to the payment from Mr C's Lloyds account. But given that Mr C has told this service that these confirmations also relate to other transactions from third party accounts that don't match the dates or amounts on the confirmations, it's hard to say this with any degree of certainty that this was the case.

The reference for the £20,000 payment was Mr C's name and the word 'loan'. Mr C used the same reference in respect of a payment to J from another account he holds with a different bank. That bank spoke to him about the transaction and Mr C said the payment was for a partial deposit on a house, J was a friend he had known for 15 years, and that he and J were buying a property as a joint investment. I understand that Mr C says he was told to use the loan reference for tax implications and the payments related to an investment with V, but on the evidence provided I'm not persuaded this is the most likely scenario.

Mr C has been unable to provide any other information to link the transactions he made to J to an investment with V. The information he has provided in terms of brochures don't show the particular payments I have been asked to consider relate to an investment Mr C made with V. I also note that Mr C now says that evidence he has provided to this service in respect of V which shows an average rate of return of 21% a month wasn't what he was given and didn't influence his decision to invest. So it's difficult to be satisfied the information about V that Mr C has provided relates to his own investment.

As Mr C hasn't provided satisfactory proof of funds or his entitlement to them, I am unable to consider whether Lloyds should reimburse him.

My final decision

For the reasons set out, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 20 November 2025.

Jay Hadfield
Ombudsman