

The complaint

Mrs B complains that Lloyds Bank PLC (“Lloyds”) hasn’t protected her from losing money to a scam.

What happened

The background to this complaint is well known to both parties, so I won’t repeat everything here. In brief summary, Mrs B has explained that between April and August 2022 she made numerous payments from her Lloyds account as a result of being scammed. Ultimately, Lloyds didn’t reimburse Mrs B’s lost funds, and Mrs B referred her complaint about Lloyds to us. As our Investigator couldn’t resolve the matter informally, the case has been passed to me for a 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.

Having done so, I’ve decided to not uphold Mrs B’s complaint for materially the same reasons as our Investigator.

First, let me say, I don’t doubt Mrs B has been the victim of a cruel scam here. She has my heartfelt sympathy. Ultimately, however, Mrs B has suffered her loss because of a fraudster, and this doesn’t automatically entitle her to a refund from Lloyds. It would only be fair for me to tell Lloyds to reimburse Mrs B her loss (or part of it) if I thought Lloyds reasonably ought to have prevented the payments (or some of them) in the first place, or Lloyds unreasonably hindered recovery of the funds after the payments had been made; and if I was satisfied, overall, this was a fair and reasonable outcome.

I’m satisfied Mrs B authorised the relevant payments. Lloyds would generally be expected to process payments a customer authorises it to make. And under The Payment Services Regulations and the terms and conditions of the account, Mrs B is presumed liable for the loss in the first instance, in circumstances where she authorised the payments. That said, as a matter of good industry practice Lloyds should have taken proactive steps to identify and help prevent transactions – particularly sufficiently unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam.

Here, however, having reviewed Mrs B’s account and the payments she made to the scam, I’m not persuaded Lloyds ought to have found any of the payments sufficiently suspicious, such that it ought to have made enquiries of Mrs B before processing them. I accept that these were international payments, and that the first of them, at least, was to a new payee. But this doesn’t automatically mean Lloyds should have intervened in them. There are many payments made by customers each day and it’s not realistic or reasonable to expect Lloyds to stop and check every payment instruction. There’s a balance to be struck between identifying payments that could potentially be fraudulent, and minimising disruption to legitimate payments (allowing customers ready access to their funds).

Mrs B had previously made payments for greater amounts. She'd also made more payments in one day than she did during the scam payments. The most payments she made to the scam in any one day was two, with the most she paid to the scam in any one day being £6,000. Now her payments did amount collectively (excluding payment fees) to around £38,000. But these payments were spread over four months. And as our Investigator pointed out, Mrs B has made previous payments, unconnected to the scam, such as: three payments collectively totalling £14,000 on 2 February 2022; one payment of £8,900 on 10 January 2022; three payments collectively totalling over £26,000 on 3 December 2021; six payments collectively totalling over £39,000 on 2 December 2021.

Mrs B's representative argues these payments weren't really typical for Mrs B and that they were different to the scam payments anyway. However, Lloyds was entitled to take into account this previous account activity when assessing fraud and scams risk (and indeed I'd expect it to). And here the scam payments were individually and collectively, spaced as they were, not of the type that I could reasonably expect Lloyds to have been sufficiently concerned about them, bearing this history in mind. I also haven't seen anything else that ought to have led Lloyds to be sufficiently concerned so as to not follow Mrs B's instructions to make the payments. This means I can't fairly say Lloyds unreasonably failed to prevent the payments, or that it would be fair to hold it responsible for Mrs B having made and lost them.

After the payments were made, I couldn't reasonably expect Lloyds to have done anything further until it became aware that Mrs B had been scammed. But unfortunately Mrs B didn't make Lloyds aware of this until some time after the payments had been made. I can see that Lloyds did try to recover the funds for Mrs B. But unfortunately I think that, given the circumstances of this case, these funds were then likely never going to be recoverable by Lloyds from the third-party recipient payment institution(s). So I'm not persuaded I can fairly hold Lloyds responsible for Mrs B not being able to recover these funds.

I'm sorry Mrs B was scammed and lost this money. But despite my natural sympathy, I can't fairly tell Lloyds to reimburse her in circumstances where I'm not persuaded it reasonably ought to have prevented the payments or have been able to recover them.

My final decision

For the reasons explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 14 November 2025.

Neil Bridge
Ombudsman