

The complaint

Mr K complains that Lloyds Bank PLC ('Lloyds') won't refund the money he lost to a scam.

What happened

The background is known to both parties so I won't repeat all the details here. In summary, Mr K was contacted in October 2023 through his messaging app by someone claiming to be a recruiter offering a job opportunity. He was led to believe he could earn money by simply completing sets of online tasks and was given access to a platform that looked convincing.

As part of the process, he was told he needed to deposit his own money to fund the work. These deposits were paid from his Lloyds account to his newly opened account with another payment services provider ('R'). From there, the money was transferred to his account with a crypto-platform and then on to the scam platform. He initially deposited small amounts, but he soon encountered so-called "merge tasks", where he was required to pay increasingly higher amounts to clear supposed "negative balances". By the time he realised he had been scammed, over £5,800 had been sent from Lloyds to R and then lost to the scam.

Mr K raised a complaint with Lloyds in February 2025. This was later referred to our Service. Our Investigator considered it and didn't uphold it. In summary, he didn't think that Lloyds needed to have intervened on any of the payments. He also concluded that Lloyds was not at fault for processing payments based on the answers it received when it did intervene. As the complaint could not be resolved informally, it has now been passed to me to decide.

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 not to uphold it. Mr K will understandably be disappointed by my decision, but these are the key reasons for it.

Authorisation

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (2017) and the terms and conditions of the customer's account. It's not in dispute Mr K authorised the payments in question, so he's presumed liable for his losses in the first instance. That is the case, even where payments are lost as part of a scam.

Prevention

Under relevant law, regulatory rules and guidance, industry codes, and what I consider to be good practice at the time, Lloyds should have been alert to the possibility of fraud and, in some situations, should have carried out additional checks before processing payments.

In this case, based on the account activity, I don't think Lloyds had enough information to

suspect that Mr K was at a heightened risk of financial harm. Although the total loss was not insignificant, the payments were made in smaller amounts, over days, and to another of Mr K's accounts with a regulated firm. I don't consider that a clear enough fraud pattern ever developed such that it would have been remiss of Lloyds not to have intervened to find out more about what was going on. There's a balance firms need to strike between identifying possible scam payments and ensuring minimal disruption to legitimate ones.

That said, there's evidence to show Lloyds did intervene. On 19 October 2023, it blocked a payment to R and contacted Mr K about it. He confirmed the funds were going to his own account. He was warned of fraudsters contacting victims through social media, cold calls, and messaging apps, and guiding customers to mislead the bank as to the payment reason. He confirmed he hadn't been contacted unexpectedly, or asked to open an account with R, or instructed to make the payment. He told Lloyds he wasn't moving the money to R for any particular reason other than that he wanted to set some of it aside.

Lloyds spoke to Mr K again on 20 October 2023. On that occasion, Mr K said he was moving money to buy cryptocurrency. But went on to confirm that no-one had contacted him about specific cryptocurrencies, given investment advice, or encouraged him to download remote access software. He said no one had asked him to mislead the bank about the payment and added *"I don't do anything with crypto I just send it to my family members and stuff"*. There was again no mention of Mr K sending money as part of a job he had been offered through his messaging app or any third-party involvement. And I don't think it was unreasonable for Lloyds to have processed Mr K's payment instructions based on the responses it received.

I note Mr K's comments that there came a point when he was fully under the scammer's influence and repeated what he was told to say by them during a call with Lloyds. I realise he thought the opportunity was genuine and that he was a victim in all this. I'm mindful of what he's shared with us about why he was more susceptible to this type of scam and I'm sorry that the whole experience has affected him deeply. But for the reasons I've given, I don't think Lloyds needed to intervene at all based on the spending activity. And while I realise the scam wasn't exposed when it did intervene, I don't think that was a result of any failings on its part, such that it would be fair for me to conclude that Lloyds must refund Mr K's losses.

For completeness, I note Mr K has referred to the Contingent Reimbursement Model (CRM Code), but the CRM Code doesn't apply to payments made between a customer's own accounts. I'm also satisfied that there was little Lloyds could have done in terms of recovery, given there's no dispute that the money was sent to Mr K's own account before being lost to the scam. If any remained Mr K would have been able to access it himself.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 4 March 2026.

Thomas Cardia
Ombudsman