

The complaint

Mr H complains that Lloyds Bank PLC (Lloyds) is refusing to refund him the amount he lost as the result of a scam.

Mr H has previously been represented by a third party. To keep things simple, I will refer to Mr H throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr H has told us that he was looking for part-time work when he received a message via a well-known messaging application from what appeared to be a recruiter, I will call this person "X", offering a remote working role with a company I will call "Y".

Mr H's role would be to help improve merchants' data on Y's platform and required Mr H to complete two sets of tasks each day.

Mr H was required to sign up to Y's website using his personal details, which made it appear even more legitimate and professional.

Mr H was given step by step guidance by X providing ticks and screenshots via the messaging application, and everything appeared to be working well with Mr H's commission balance steadily increasing.

Mr H's balance then fell to a negative figure and X told Mr H that this was because he had been upgraded to bigger tasks that required Mr H to make payments. Mr H made the payments X requested but found he was unable to withdraw his commission and realised he had fallen victim to a scam.

Mr H made a successful payment into the scam on 14 July 2024 for the value of £6,750. Other payments were also attempted but other than one payment for £1,000 that was later recovered, they were all stopped by Lloyds.

Our Investigator considered Mr H's complaint and didn't think it should be upheld. Mr H disagreed, so this complaint has 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.

It has not been disputed that Mr H has fallen victim to a cruel scam. The evidence provided by both Mr H and Lloyds sets out what happened. What is in dispute is whether Lloyds should refund the money Mr H lost due to the scam.

Recovering the payments Mr H made

There were two successful payments made from Mr H's account in relation to the scam, one of which was recovered. So, the total loss incurred by Mr H came from a single payment made on 14 July 2024 for the value of £6,750.

This payment was made by transfer. When payments are made by transfer Lloyds has limited options available to it to seek recovery. In any event Mr H made the payment to a legitimate cryptocurrency exchange in exchange for cryptocurrency. As there is no dispute that cryptocurrency was provided to Mr H in exchange for the payment, and it took further steps for those funds to end up in the hands of the scammer, any attempt to recover the payment would have no prospects of success.

Should Lloyds have reasonably prevented the payment Mr H made?

It has been accepted that Mr H authorised the payments that were made from his account with Lloyds, albeit on X's instruction. So, the starting point here is that Mr H is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Lloyds should have been aware of the scam and intervened when the payments were being made. And if it had intervened, would it have been able to prevent the scam taking place.

The first payment Mr H attempted in relation to the scam was for the value of £6,750, this payment was stopped, and a call took place between Mr H and Lloyds. I have listened to a recording of the call.

During the call Mr H explained that the reason he was making the payment wasn't in relation to cryptocurrency, he was buying "US dollars". Lloyds question Mr H why he was not using a usual method such as another account to purchase the currency rather than the exchange. Mr H said he was not aware of other ways. Mr H also confirmed that no one had asked him to make the payment, and he was doing it of his own will.

Lloyds confirmed that it updated the details but as the payment had already declined Mr H would have to make the payment again if he still wanted it to be made. Lloyds advised that Mr H would receive more protection if he made the payment by card rather than transfer.

Shortly after this call Mr H made the payment again and it successfully debited his account.

Considering Mr H spoke to Lloyds before making the successful payment and gave Lloyds incorrect information about the payment reason, that didn't cause Lloyds to have concerns, I don't think it was unreasonable that Lloyds didn't have concerns when he attempted the payment for a second time, and the payment was allowed to be processed.

Providing false information when making payments can, and did make it extremely difficult for Lloyds to uncover the scam that was taking place. So, I don't think Lloyds missed an opportunity to uncover the scam before the successful payment for the value of £6,750 was made, and it is not responsible for Mr H's loss.

The remaining payments attempted from Mr H's Lloyds account were either unsuccessful or recovered. As Mr H suffered no further financial loss resulting from those payments, I have not considered them in my decision.

Mr H has told us that he had vulnerabilities at the time he made payments from his Lloyds

account. But as Lloyds were not aware of those vulnerabilities it would not be fair for me to say Lloyds should have taken them into consideration at the time.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 10 October 2025.

Terry Woodham
Ombudsman