

The complaint

Miss R complains that Lloyds Bank Plc ('Lloyds') won't reimburse the funds she lost when she fell victim to a scam.

What happened

Around June 2023 Miss R met someone I'll call "D" on a well-known dating app. Miss R and D spoke almost daily for around a month. They met each other a couple of times and started to form a relationship.

Between 26 July 2023 and 15 August 2023, Miss R was persuaded to send D money. Miss R has said that D asked her to lend him money for different reasons. Broadly, these reasons centred around helping to pay for things while D's account was blocked by his bank or while he was waiting to be paid money he was owed by others and from work. D supposedly needed money to help with car repairs, making his home habitable for him and his son, costs relating to his ex-partner, and other things like hotel stays while his home was unfinished. There were other things too like taking his son out and costs associated with buying a new car.

Miss R has said D was manipulative and put pressure on her, sometimes aggressively, to pay him the funds. He would send pictures to evidence why he needed the funds and to prove he had the money to send back to her. He also involved his family to back up his claims. But as time went on, and D wasn't repaying as promised, Miss R started to question him. She later found out that the addresses he'd given her weren't properties that belonged to him or his ex-partner. Miss R also later found out that D had outstanding County Court Judgments against him relating to money he owed others.

In total, between 26 July 2023 and 15 August 2023, Miss R made 39 transfers totalling £9,590 to D from her savings account with Lloyds. Some of these transfers were as small as £20, most were between £50 and £500, and there were also a few larger payments, with the largest being £1,475. D sent Miss R a total of £1,200 back across eight payments. These were received into Miss R's current account with Lloyds. Three of those payments were made during the period Miss R was making payments to D, the rest were sent after, with the final four being in December 2023.

Miss R kept in touch with D until June 2024, mostly to try and get her money back. D continued to say he would pay her back but by June 2024 Miss R stopped all contact with him. Via a professional representative, Miss R raised a claim and a complaint with Lloyds in November 2024. Lloyds sent a response in May 2025 and said that it had considered whether the payments Miss R made were covered by the Contingent Reimbursement Model Code ('CRM Code'). Lloyds concluded that it couldn't confirm any intent to scam and that it was a 'civil dispute' between Miss R and D so the CRM Code didn't apply and it wouldn't be reimbursing Miss R.

Miss R brought her complaint to the Financial Ombudsman Service. Broadly speaking, Miss R said that what had happened was a scam, Lloyds had failed to protect her and to identify

her vulnerability. Miss R said Lloyds should refund the money she lost, plus 8% interest and an award for distress and inconvenience.

One of our Investigators considered the complaint and concluded there wasn't enough evidence that D had intended to scam Miss R. While our Investigator acknowledged that what happened was distressing, he couldn't agree it met the CRM Code definition of a scam. As such, he thought Lloyds' decision not to reimburse Miss R was fair and reasonable.

Miss R didn't agree with the outcome of our Investigator's assessment. Because the complaint couldn't be resolved informally, it has been passed to me to make a final 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.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must take into account what I consider to have been good industry practice at the time.

My role is to determine whether Lloyds is responsible for refunding the money Miss R has lost. Having considered everything that both sides have said and provided, I cannot see any basis on which I can fairly instruct Lloyds to take further actions or to refund the money Miss R sent. I know this has been a very upsetting situation for Miss R and that this news will be very disappointing to her – so I'll explain why I've reached this conclusion.

The CRM Code

Lloyds was a signatory to the CRM Code. Under this code, the starting principle is that a firm should reimburse a customer who is the victim of an authorised push payment (APP) scam, except in limited circumstances. But the CRM Code only applies if the definition of an APP scam as set out in it, is met.

I have considered whether Miss R's claim falls within the scope of the CRM Code, which defines an APP scam as:

“... a transfer of funds executed across Faster Payments...where:

- (i) The Customer intended to transfer funds to another person, but was instead deceived into transferring the funds to a different person; or*
- (ii) The Customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent”.*

And the CRM Code specifically doesn't apply to 'private civil disputes' and it is for Miss R to demonstrate that she has been the victim of an APP scam.

To decide whether Miss R is the victim of an APP scam as defined in the CRM Code I have considered all the information and evidence provided to me.

It's not in dispute that Miss R intended to pay D, and that D received the money she sent. The evidence I've seen also appears to show that Miss R sent the funds for what she thought were legitimate purposes – where I am able to determine the reason for the payment. So I've considered whether the evidence suggests D's purpose for the payments was fraudulent or not.

In this case, for the provisions of the CRM Code to apply, the evidence must support a finding that D deceived Miss R into lending him money and had no intention of returning it at the time it was paid (and not subsequently). I'm not persuaded this is the case here.

I've seen conversations between Miss R and D and considered what Miss R has told our service. At times, it's clear what D was asking Miss R to send him money for – such as car repairs or needing money to pay contractors supposedly working on his property. Other times it's less clear or not clear at all why Miss R was making payments to D. This is because it appears the requests were often made by voice note – which I don't have access to - rather than in text messages. So it hasn't been possible for me to identify the exact purpose for every payment or whether some of the payments were for the benefit of Miss R – for example costs associated with spending time with D. But overall, the broad purpose of the payments appears to be to lend D money with the expectation that most, if not all, of it would be repaid to Miss R at some point.

I can see from the conversations that D consistently told Miss R that he would pay her back, but he also consistently failed to pay by the times he said he would. Failed promises to repay don't persuade me the loans were obtained by deception though. As mentioned above, D did send some money back to Miss R in July 2023 and August 2023 – albeit a small amount. D did later admit to having lied to Miss R and that he had let her down. From the evidence available to me, this appears to be after the final payment Miss R sent him. It's also not clear from the evidence I've seen what he'd lied about and to what extent. But there's no evidence available to me that clearly shows what D used the money for and whether or not any of it, or some of it, was used for the reasons he gave Miss R.

And while D frequently told Miss R he would be repaying her and frequently didn't, I haven't seen any conclusive evidence that he didn't have legitimate reasons for not being able to pay Miss R back. I also have to take into account that he did remain in contact with Miss R for a long time after the payments, and doesn't appear to have tried to get her to send him more money after this. He also made some further repayments to Miss R in December 2023. I recognise that in total Miss R has only been repaid a very small proportion of what she paid D. But it is difficult for me to say that D never had any intention of repaying Miss R when he did pay some back months later.

This doesn't follow the usual pattern of a scam. Scammers will commonly try to obtain as much money as they can and then disappear when it becomes apparent they won't be able to get any more. They may sometimes repay the victim some funds early on to encourage the victim to send them more. But that doesn't appear to be the case here considering D paid more back to Miss R after she stopped sending payments to him and the relationship was breaking down.

So it is difficult for me to say it's more likely than not that D had always intended to defraud Miss R or that the premise of the relationship was entirely fabricated in order to obtain money from Miss R. On balance, I am unable to safely say this situation meets the high legal threshold and burden of proof for fraud.

With this in mind I don't think it is unfair to conclude the payments made fall outside of the scope of the CRM Code. As such, I don't think it was unfair that Lloyds took the view that the situation was a private civil dispute.

Should Lloyds have done more to protect Miss R from financial harm?

I have considered whether there is any other reason I can require Lloyds to reimburse Miss R. Lloyds should be on the lookout for, and protect its customers from, potentially falling victim to fraud or scams. This includes monitoring accounts and identifying suspicious

activity that appears out of character. Where potential fraud is identified, I would expect Lloyds to intervene and attempt to prevent the losses for the customer.

Lloyds has said it doesn't have a record of any of Miss R's payments flagging as suspicious and no evidence that it provided any kind of warnings to Miss R.

Having looked at the payments Miss R made, and the account activity prior to the payments, I don't think the payments were sufficiently unusual or suspicious for Lloyds to have been concerned that Miss R was in danger of financial harm. The payments did look slightly unusual to begin with because Miss R didn't regularly make payments directly from this account. But, while the first payments were to a new payee, they were relatively low value and didn't follow common scam patterns – such as rapidly increasing in value or to multiple new payees. By the time Miss R made the largest payments, paying D's account had become the usual activity on the account. I also haven't seen any evidence that the recipient would have looked unusually suspicious to Lloyds at the time of the payments.

That said, even if Lloyds had intervened and contacted Miss R, I don't think it would have made a difference to her decision making or that Lloyds could have reasonably prevented the loss. Having considered the information that was available at the time the payments were made, I'm not persuaded Lloyds would have had any concerns if it had questioned Miss R about the payments. If Lloyds had asked Miss R about the payee and the purpose of sending funds, I'm persuaded that she would have likely told Lloyds that she knew the intended payee personally and they had met in person. Further, if they'd asked Miss R about the purpose of the payments and she was honest with Lloyds, I think Lloyds would think they were genuine reasons to send the money. So I don't think Lloyds would necessarily have been on the lookout for a potential scam risk if it was presented with this type of information.

I've also considered whether Lloyds could have recovered any of Miss R's funds after she raised the claim with it. Lloyds didn't attempt to recover any of the funds from the recipient account – because it didn't deem the situation an APP scam. Considering I've reached the same conclusion I don't think it was unfair for Lloyds to not attempt to recover Miss R's funds from the recipient account. In any event, because the claim wasn't raised with Lloyds until November 2024, and all the payments were sent in 2023, I don't think it's likely that any of Miss R's funds would have remained when she first raised the claim with Lloyds.

Miss R's vulnerability

For the reasons I have explained, there is no basis on which I could fairly ask Lloyds to reimburse the funds that have been lost.

Miss R has kindly shared with us her circumstances before, and at the time of, the payments which she feels made her vulnerable at the time. But for me to be able to direct Lloyds to refund Miss R because of a vulnerability, I need to think about what Lloyds knew at the time of the payments.

Lloyds has said that at the time of the payments there were no notes or warnings on their systems that suggested Miss R might be vulnerable or needed additional support. And I haven't seen any other evidence to suggest that at the time of the payments Lloyds should have identified that Miss R might be vulnerable.

As such, I can't fairly and reasonably conclude that Lloyds should have taken any further steps at the time of the payments or when it assessed Miss R's claim.

Distress and Inconvenience

Miss R's original complaint, made via her professional representatives, requested that Lloyds pay compensation for 'stress and inconvenience' – but didn't provide any reasons for why or how much compensation Miss R was looking for. Miss R is no longer represented and also hasn't given any reasons why Lloyds should pay compensation for distress and inconvenience.

I recognise that Miss R has been caused a lot of distress by the situation overall. But based on the evidence I've considered, I can't see that Lloyds has acted in a way that has caused Miss R distress or inconvenience to the point that it should pay compensation.

Summary

I am very sorry to have to deliver this news to Miss R. I know this isn't the answer she is hoping for. I can't begin to imagine how upsetting the last few years have been for her. It is clear that she has been through a lot and to reach this point has been very upsetting and challenging.

But having considered everything, I don't think Lloyds treated Miss R unfairly when it concluded this was a civil matter. For the reasons I have explained, I'm satisfied Miss R isn't due a refund under the CRM Code. Nor can I see there are other grounds on which I could say that Lloyds should, fairly and reasonably be held responsible for the loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 9 January 2026.

Mike Southgate
Ombudsman