

The complaint

Mr A is unhappy that Lloyds Bank PLC failed to sufficiently protect him from falling victim to what he argues was an authorised push payment (APP) scam. He also complains Lloyds failed to then compensate him after he informed it of the scam.

What happened

The details of Mr A's complaint are well known to both parties and so I will not repeat them all again here. In summary, Mr A has explained he fell victim to a property purchasing scam in 2019/2020. He was looking to expand his business into France and considered purchasing a property, rather than renting, to be a better investment. The alleged scammer (henceforth 'the scammer') contacted Mr A via a networking website and was going to help him find a property. Mr A and the scammer met multiple times and Mr A was persuaded to pay him funds in cash to find/purchase the property.

However, due to a variety of personal reasons, which due to their sensitive nature I will not repeat here, Mr A decided he no longer would be able to work in France and requested a refund from the scammer. In response, Mr A was informed that additional fees would need to be paid to avoid losing the funds. Mr A felt he had no choice and gave the scammer further monies. When there was still no refund, Mr A realised he had been scammed and when the scammer contacted him again, he informed him he would be reporting this scam to the relevant authorities. Mr A says he then raised the scam issue with Lloyds shortly after and subsequently attempted to raise complaints – but received no reply. He also said he had some issues with the branch losing a letter he delivered with his personal information about the scam/his complaint. Mr A highlighted this all cost him a lot of time.

Lloyds state due to the length of time that has passed, the branch colleagues are unable to recollect Mr A's visits to the branch. However, in line with its procedures, it said the value of the first withdrawal would have generated a High Value Checklist (HVC) to be completed, although it cannot evidence this due to the length of time that has passed. But, Lloyds confirms that had there been a cause for concern, there would be an electronic record made. Lloyds also states the withdrawals were not in such a quick succession that a pattern could have been established. Additionally, as the account was opened not long before, it would not have been able to determine what actions would be unusual for Mr A. It also says it has no record of a complaint prior to July 2024.

Unhappy with this outcome, Mr A referred the complaint to us. Our Investigator considered Mr A's complaint but did not uphold it. He found that there was not sufficient evidence of the monies being lost to the scam, or of the scam itself. He also stated there was no evidence to suggest a complaint was received by Lloyds prior to July 2024. Mr A disagreed and requested a decision.

As the case could not be resolved informally it has now been passed to me to issue 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.

I will note that just because I have not included the full facts, it does not mean I've ignored any points. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I am sorry to hear about Mr A's situation, he has lost a large sum of money and he has my sympathy for this. I appreciate this all occurred during an already difficult time. However, just because he says he has lost funds due to a scam, it does not mean he is automatically entitled to recompense by Lloyds.

I have kept in mind that Mr A made the payments himself and the starting position is that Lloyds should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) he is presumed liable for the loss in the first instance. However, there are some situations when a bank should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made. In line with this, Lloyds ought to have been on the look-out for the possibility of fraud and made additional checks in some circumstances. Mr A says he's been the victim of a scam and that Lloyds ought to have done more to protect him whilst he completed these withdrawals.

I've considered the evidence available, but I can't fairly conclude that Mr A has lost all these disputed funds as a result of a scam – there isn't enough tangible evidence for me to do so. I appreciate that Mr A has, amongst other things, supplied us with detailed testimony, what he says are pictures of the scammers, an email chain with the scammer and details of the beneficiary bank. I've similarly kept in mind he informed the relevant authorities that he had been the victim of a scam. However, there is not sufficient tangible evidence to link him withdrawing the cash and giving it all to the scammers. Withdrawing funds doesn't automatically prove a loss.

I accept, whilst keeping in mind Mr A's testimony, that this may well have been a very sophisticated scam. This would explain the lack of tangible evidence – which Mr A highlights was the scammer's intention. Ultimately, Mr A met with the scammers multiple times and says he was giving them the funds – without it seems any solicitor of his own overseeing the purchase, no paperwork or anything particularly official to highlight what he believed to be a legitimate purchase of a property. I would usually expect to see a reasonable trail of evidence in a scam to show the claimed loss going to the scammer – especially one such as this which involved multiple meetings and payments over many months. Considering the evidence supplied by Mr A, I've not seen sufficient evidence that can be used to link the withdrawn cash being made towards the scam. This does not mean I've ignored that Mr A has raised his concerns with the relevant authorities – but I have to make a decision based on what is available to me.

I do accept the emails with the scammer reference the deposit of €3,000 to a Spanish account – which Mr A sent via another of his accounts. It would be very unusual for an account opening to have to send the fee to a beneficiary who does not seem to be linked with the property dealings – or the bank. However, this in isolation does not necessarily prove the withdrawn cash was part of a scam.

Similarly, I cannot say Lloyds has done anything incorrectly by allowing the withdrawals, based on what I have been supplied with. It's highly possible that questions were asked and reasonable answers given - like Mr A has confirmed was the situation with another bank.

And, although I appreciate the vulnerable situation Mr A may well have been in, because of his circumstances at the time, I've not seen anything which should have highlighted to Lloyds that his decision-making abilities were impaired and that it should not have allowed his withdrawals.

I think it's important to highlight that there are many payments made by customers each day. It's not reasonable to expect Lloyds to stop and check every instruction to try to prevent fraud or financial harm. There's a balance to be struck between the extent it intervenes in payments to protect customers and not unnecessarily disrupting legitimate payment instructions.

I am sorry to hear that Mr A has lost such an amount of money – it is a large sum and he has my sympathy. However, considering what is available I haven't seen enough persuasive evidence to show Mr A made these withdrawals due to being the victim of a scam. So, I don't find there are any grounds to uphold this complaint.

I'll also add that we consider each case on its own individual merits and even if other decisions we've reached seem similar, there will be key differences. Similarly, the conduct of other another bank does not mean that is the set standard for every bank and even if one did refund lost money, it does not mean that the others must as well.

The Contingent Reimbursement Model Code

Although Lloyds has signed up to the Contingent Reimbursement Model Code, the payments Mr A made from his account aren't covered by the Code because they were cash withdrawals. I cannot fairly and reasonably say that Lloyds should have to refund payments under the Code when it doesn't apply here.

Recovery

I do not think there were any additional actions Lloyds could have taken to attempt to recover Mr A's funds. There would be no way to trace where the cash was ultimately paid to.

Service failings

For completeness, I want to highlight to both parties that not everything falls within our remit, such as complaint handling points because they are not a regulated activity. This means I would not be able to comment on any standalone complaint handling related points – unless ancillary to something regulated.

In this instance I've noted that Lloyds did award Mr A £100 for inadvertently voiding his initial complaint in July 2024. Although this is a complaint handling point, I will say that I do not doubt the impact this clear failing had on Mr A and the delay it caused. I will also note here there is no evidence from either party to show an earlier complaint was made/attempted. Ultimately, whatever the complaint point in question, for me to consider an award, I would have needed reasonable evidence and without that it would not be fair for me to partially uphold a complaint.

Therefore, although Lloyds has accepted a failing occurred with its complaint handling, I would not consider making an additional award for the service related issues here.

My final decision

My final decision is I do not uphold this complaint against Lloyds Bank PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 5 February 2026.

Lawrence Keath
Ombudsman