

## **The complaint**

Miss V complains that Lloyds Bank PLC ('Lloyds') won't refund the money she says was lost as the result of a scam.

## **What happened**

In 2023, Miss V was contacted via social media by an individual I'll refer to as M. M represented himself as a film producer with significant industry experience and connections. M said he could help Miss V turn a book she had published into a feature film.

Miss V signed a contract between herself, M and M's company. I'll refer to M's company as U.

In July 2023, Miss V made a payment of £7,000 to U. In August 2023, she made a further payment of £2,000 to U.

Miss V says that M and U didn't meet the terms of the contract and believes she was the victim of a scam. So, she raised a fraud claim with Lloyds.

Lloyds declined to refund Miss V, saying she had a civil dispute with U. Lloyds said U are a genuine company who are registered on Companies House and the receiving bank deemed the matter a civil dispute.

Miss V wasn't happy with Lloyds' response, so she brought a complaint to our service.

An investigator looked into Miss V's complaint but didn't recommend that Lloyds refund her. The investigator wasn't satisfied that the circumstances under which Miss V made her payments meets the definition of an APP scam as set out in the Contingent Reimbursement Model Code (CRM Code). Also, the investigator wasn't satisfied that if Lloyds had intervened when the payment was made that Miss V's loss would've been prevented.

Miss V disagreed with the investigator's opinion and asked for an ombudsman to review her case. Miss V raised the following points:

- M misrepresented himself as a film producer with significant industry experience, including saying he was a producer on a certain film – which isn't the case.
- M provided legal agreements with a forged signature to support his role as a producer on a film.
- M has been the director of numerous companies that have dissolved and has links to investment scams. Also, M was convicted of fraud in another country.
- M and U didn't meet the terms of the contract with Miss V and failed to deliver on multiple services that were listed.

## **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 in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I've reached my decision on the balance of probabilities. In other words, on what I consider is more likely than not to have happened in light of the available evidence.

### Are Miss V's payments covered by the CRM Code?

Lloyds have signed up to the CRM Code, which requires firms to reimburse customers who have been the victims of Authorised Push Payment (APP) scams, in all but a limited number of circumstances.

But the CRM Code does not apply to private civil disputes, for example, where a customer has paid a legitimate supplier for goods, services or digital content but has not received them, they are defective in some way, or the customer is otherwise dissatisfied with the supplier.

Also, the CRM Code defines what is considered an APP scam as, "where the customer transferred funds to another person for what they believed were legitimate purposes, but which were in fact fraudulent".

In order to decide whether the circumstances under which Miss V made her payments meets the definition of an APP scam, I need to consider:

The purpose of the payments and whether Miss V thought this purpose was legitimate. The purpose M and U had in mind at the time of the payments and whether this was broadly in line with what Miss V understood the purpose to be. And, if I decide there was a significant difference in these purposes, whether I'm satisfied that was as a result of dishonest deception.

Miss V was making payments to U as part of a contract, whereby U offered services to support Miss V's development of a feature film. I haven't seen anything that suggests Miss V didn't think this was a legitimate purpose.

So, I've gone on to consider what purpose M and U had in mind and whether it was in line with what Miss V thought.

Miss V has made a number of allegations regarding misrepresentation and dishonesty by M in relation to his experience and contacts in the industry. I would note that there is little evidence to support these allegations, although I appreciate that she has an email saying that he wasn't a producer on a certain film – as he had claimed. While these allegations point to M's character, the first part of the test is whether there is a difference in the purpose for the payments. Being a difference between what Miss V understood the purpose to be and what purpose M and U had in mind when the payments were made.

Miss V has told us that courses started in October 2023, and they continued on a weekly basis each Tuesday. For the first two months, Miss V says the courses were focused on script development.

The contract says that U will support the client's (Miss V's) development of a feature film. It further specifies that U will help create a qualified production in story, script, writing, producing and directing and assist with the branding and social media. It also lists a number of other services, that U will provide or assist Miss V with.

Based on Miss V's testimony, M and U provided courses in line with the contract, which suggests that M and U had the same purpose in mind in relation to the payments. I appreciate that Miss V is unhappy with the courses, as M provided little support or mentorship. So, the courses were self-led with other "participants" reviewing and critiquing each other's scripts – which isn't what Miss V expected. But this doesn't prove that M or U took Miss V's funds with a different purpose in mind.

As I'm not satisfied that there is a difference between the intended purpose for the payments, I'm not satisfied that Miss V's circumstances meet the definition of an APP scam. Dishonest deception only comes into play if there is a difference in the purposes – and I'm not satisfied that the evidence supports that in this case.

Also, the CRM Code doesn't apply where Miss V has paid a legitimate supplier but is unhappy with the services she received. U is a UK incorporated company which has been operating since 2020. There is no evidence that U isn't a legitimate supplier.

I realise that Miss V doesn't believe that M and U have met the terms of the contract she signed with them, but in this case, a breach of contract would be a civil dispute not an APP scam.

Having carefully considered all of the evidence and testimony that Miss V has provided, I'm not satisfied that she has proven M or U had a different purpose in mind when she made her payments, or that U weren't a legitimate supplier. On that basis, I'm not satisfied that her payments are covered by the CRM Code.

Is there any other reason I could hold Lloyds liable for Miss V's loss?

There is an expectation for Lloyds to be on the lookout for, and to 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 losses for the customer.

However, even if I was satisfied that Lloyds should've intervened when these payments were made, I'm not satisfied this would've prevented Miss V's loss.

I say this because U were a UK incorporated company and Miss V completed several checks on M to satisfy herself of his legitimacy. Miss V says M had over 250,000 followers on his social media profile and when she initially checked his claim that he was a producer on a certain film – the information online suggested this was true. This wasn't corrected until a later date. Also, Miss V had received a contract which set out the terms of the agreement and what services M and U were offering. There wasn't any information available at the time Miss V made the payments, which suggested that M or U weren't legitimate or meant that Lloyds would've been concerned that she was at risk of financial harm from fraud.

So, even if Lloyds had discussed the payments with Miss V, I'm not satisfied that the information Miss V would've shared with them, meant they should have refused to follow her payment instructions.

I realise that Miss V has lost a significant amount of money, but I'm not satisfied that I can fairly hold Lloyds liable or ask them to refund her.

If material new information comes to light at a later date, which points to M and U's intentions at the time Miss V made her payments, for example, from the police or trading standards, Miss V can ask Lloyds to reassess her claim.

### **My final decision**

My final decision is that I don't uphold this complaint against Lloyds Bank PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss V to accept or reject my decision before 2 December 2025.

Lisa Lowe  
**Ombudsman**