

## The complaint

Mr O says Lloyds Bank PLC should refund more of the money he lost as the result of a scam.

Mr O used a representative to bring his complaint to this service. For ease of reading I will refer solely to Mr O in this decision.

## What happened

As both parties are aware of the details of the scam, I will not repeat them here in full. In summary, Mr O fell victim to a job/task scam. He was contacted via a messaging platform and offered the opportunity to earn a commission for completing tasks online (rating products to increase their sales). He started doing this without issue, until on 11 October 2023 he received a 'combination' task and was told he would need to deposit funds to access the task. He went on to send the following eight payments by debit card to digital wallets on his name at two different cryptocurrency platforms. He realised he had been scammed when he was then asked to send more money to cover fees and taxes, before he could withdraw any of the commission he had earned.

payment	date & time	value
1	11/10/2023	£49
2	12/10/2023	£25
3	12/10/2023	£160
4	12/10/2023	£296
5	12/10/2023	£565
6	12/10/2023	£980
7	12/10/2023	£1,510
8	13/10/2023	£2,005

After he complained to Lloyds saying it did not do enough to protect his money, the bank refunded 50% of payments 6 to 8, plus a further £100 compensation, agreeing that it could have done more at that stage. But it said Mr O could also have done more to verify the opportunity before sending any money so he should share the liability.

Our investigator found this was a fair and reasonable response to Mr O's complaint. He said the partial refund strikes the right balance between recognising Lloyds' responsibility to intervene and Mr O's own responsibility to have acted with greater caution before making the payments. This outcome is consistent with our usual approach.

Mr O disagreed and asked for an ombudsman's review. He accepted payment 6 would have been the right time for Lloyds to intervene, but he disagreed that he contributed to his loss.

He accepts there were red flags - he was making up-front payments for a job that was supposed to pay him, and he received no terms of employment. Also, he did not conduct any research prior to sending the money. But these oversights were due to his vulnerabilities at

the time: he was looking for additional work as he was struggling financially, and he was grieving having recently lost a close friend. He also received some commission at the start making the opportunity seem legitimate.

### **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.

There's no dispute that Mr O made and authorised the payments. At the stage he was making these payments, he believed he was transferring funds to his digital wallets to allow him to buy access to tasks as part of a job opportunity. I don't dispute Mr O was scammed and he wasn't making payments for the reason he thought he was, but I remain satisfied the transactions were authorised under the Payment Services Regulations 2017.

It's also accepted that Lloyds has an obligation to follow Mr O's instructions. So in the first instance Mr O is presumed liable for his loss. But there are other factors that must be considered.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what was good industry practice at the time, I consider it fair and reasonable that Lloyds should have:

- been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, irrespective of the payment channel used, taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multistage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

To note, as the payments were made by debit card, and to accounts in Mr O's name, the principles of the Contingent Reimbursement Model (CRM) code do not apply in this case.

In this overall context, I find Lloyds response to Mr O's complaint to be fair. It has acknowledged that it should have intervened before processing payment 6 and has accepted it could have broken the spell of the scam had it done so. Based on the nature of the recipients (identifiably related to the inherently higher risk cryptocurrency) and the pattern (increasing value) of the payments I agree. This would mean Mr O would not have made payments 6 to 8.

Lloyds decided that Mr O should only receive a partial refund as he could have done more to protect his money. And I agree that he should share the responsibility for his loss by way of contributory negligence. I say this because there were red flags he ignored indicating this

opportunity was not legitimate, as he now accepts. He says, however, as he was vulnerable at time he was susceptible to manipulation so should not share the liability. I disagree. Whilst I am sorry to hear that he was struggling financially and mentally at the time, I have seen no evidence that Lloyds was on notice of his circumstances. So, I cannot fairly have expected it to take them into account and do anything differently when following his payments instructions.

I have then considered if Lloyds did what we would expect to try to recover Mr O's money once the scam was reported. As the payments were made by debit card the opportunity to recover the funds would be through the chargeback scheme. But I don't consider that any chargeback claims would have had any prospect of success. There would have been no valid chargeback right given there was no dispute that the cryptocurrency exchanges provided the services they sold to Mr O. The funds appeared in his digital wallets, which he subsequently sent to the scammer. This means I can't say there was any failing in this regard on Lloyds' part.

It follows I am not instructing Lloyds to refund any more money to Mr O. I'm sorry Mr O has lost a considerable amount of money and I can understand why he would like to be compensated for his total loss. I do accept Mr O has fallen victim to a sophisticated scam. But I can only consider whether the bank, which had no involvement in the scam itself, should be held wholly responsible for what happened. For the reasons set out above I do not find Lloyds can be held fully liable in the circumstances of this case.

### **My final decision**

I am not upholding Mr O's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 9 February 2026.

Rebecca Connelley  
**Ombudsman**