

The complaint

Mr C complains that Lloyds Bank PLC ('Lloyds') won't refund the money he lost after falling victim to a scam.

What happened

Mr C was contacted via a messaging app with a job opportunity. The job required Mr C to complete sets of tasks. Mr C would receive commission of 2.5% on tasks completed, as well as a bonus for working consecutive days. Mr C believed he would get £100 per day with an additional £500 after 5 days and up to £1,000 if he continued for 30 days.

When Mr C tried to withdraw his earnings, he was told that he would have to pay taxes. Ultimately, Mr C couldn't afford to pay the taxes and was unable to withdraw any of his earnings.

These are the payments Mr C made from his Lloyds account.

Date	Pmt no	Details of transaction	Amount
21.10.2024	1	Payment to C – a cryptocurrency exchange	£80
21.10.2024	2	Payment to C – a cryptocurrency exchange	£15
21.10.2024	3	Payment to C – a cryptocurrency exchange	£100
24.10.2024	4	Payment to C – a cryptocurrency exchange	£500
29.10.2024	5	Payment to C – a cryptocurrency exchange	£800
5.11.2024	6	Payment to C – a cryptocurrency exchange	£300
8.11.2024	7	Payment to C – a cryptocurrency exchange	£1,300
14.11.2024	8	Payment to C – a cryptocurrency exchange	£1,920
14.11.2024	9	Payment to C – a cryptocurrency exchange	£400
19.11.2024	10	Payment to C – a cryptocurrency exchange	£4,500
26.11.2024	11	Payment to C – a cryptocurrency exchange	£7,150
26.11.2024	12	Payment to C – a cryptocurrency exchange	£120
19.12.2024	13	Payment to C – a cryptocurrency exchange	£750
23.12.2024	14	Payment to C – a cryptocurrency exchange	£725
23.12.2024	15	Payment to C – a cryptocurrency exchange	£300

Through a professional representative, Mr C reported the scam to Lloyds in April 2025, asking that they refund him. Lloyds declined to refund Mr C saying the payments weren't unusual or out of character. Lloyds explained that as the payments went to a cryptocurrency account in Mr C's name, the APP scam reimbursement rules (ASR) don't apply.

Mr C wasn't happy with Lloyds' response, so he brought a complaint to our service.

An investigator looked into Mr C's complaint but didn't uphold it. The investigator felt Lloyds should've intervened when Mr C made payment 10 and provided an onscreen written warning. But the investigator didn't feel intervention would've prevented Mr C from making the payments, as after reporting the scam to Lloyds Mr C continued contact with the

scammers and told them he was saving up so that he could pay the taxes to release his funds.

Mr C's representative disagreed with the investigator's opinion and raised the following points:

- The payments were unusual and out of character and warranted intervention.
- If Lloyds had called Mr C to discuss the payments, the scam would've been uncovered, and Mr C wouldn't have made any further payments.
- Mr C contacting the scammer after reporting the scam reflects the manipulative and coercive nature of scams. It doesn't suggest that Mr C would've disregarded advice from the bank.

As the case couldn't be resolved informally it was passed to me to review.

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.

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.

The ASR rules were introduced on 7 October 2024. However, the rules only cover payments made to an account not in the customer's control. Here the payments were made to a cryptocurrency account in Mr C's name – that he controlled. So, I can't apply the ASR rules to this case.

In broad terms, the starting position in law is that Lloyds are expected to process payments that a customer authorises it to make, in accordance with the terms and conditions of the customer's account and the Payment Services Regulations (PSR's). Here it's not in dispute that Mr C authorised the payments, although he did so not realising he was the victim of a scam.

But, taking into account the law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider Lloyds should fairly and reasonably have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams.

Also, I'd expect Lloyds to have 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). And where a potential risk of financial harm is identified, to have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – as in practice all banks do.

I'm not satisfied that Lloyds should've intervened, prior to payment 10. I say this as the payments started with low values of under £500 with no more than three payments made on one day. As the value of the payments increased, they were being paid to what had become an established payee and they were spaced out, usually with a few days between the payments. So, I'm not satisfied that payments one to nine were so unusual or out of character compared to Mr C's regular account activity, that Lloyds should've identified a potential risk of financial harm from fraud or intervened.

However, payment 10 was significantly higher than any previous payments Mr C had made and was identifiably related to cryptocurrency. By November 2024, when this payment was made, Lloyds should've been aware of the heightened risk associated with cryptocurrency payments.

I realise that the previous payments were identifiably related to cryptocurrency, but that factor by itself isn't sufficient for me to say Lloyds should've been concerned, when also taking into account the value of those payments.

As part of Lloyds' intervention on payment 10, I would've expected them to ask Mr C questions about the reason he was making the payment, so they could provide a tailored onscreen warning related to the payment reason and the type of scam most likely involved.

It's not clear what reason Mr C would've given, and it's possible that Lloyds may not have had reason to suspect that Mr C was potentially the victim of a job scam, as opposed to a cryptocurrency investment scam. Depending on what reason Mr C chose, it's likely that the scam warning may not have been specific to job scams and wouldn't have resonated with Mr C.

However, even if Mr C told Lloyds that the payment was related to a job scam and a relevant warning was given, I'm not satisfied that I can say it's more likely than not this would've prevented Mr C's loss.

By the time Mr C made payment 10, he was heavily invested in the scam and under the scammer's spell. Also, it's concerning to see that Mr C continued communicating with the scammer after he had reported the scam to Lloyds. I appreciate that the scammer was contacting him every day and was being manipulative, but rather than blocking the scammer, Mr C told the scammer that he was saving up money so that he could send the amount they were requesting to release his funds.

It's clear from these messages that Mr C was so under their spell, even after realising it was a scam, that he was still prepared to send further funds if he had them. This suggests to me that it's more likely than not, even if Mr C was presented with a relevant warning by Lloyds, that he would've continued making payments to the scammer and the control of the scammer over him wouldn't have been broken.

Payment 11 was for a higher value than payment 10, but it was made a week later. Even if I was satisfied that Lloyds should've intervened again when this payment was made, I'm not satisfied it would've prevented Mr C's loss - for the same reasons as for payment 10.

If Mr C being aware that he was the victim of a scam and that he had lost his funds wasn't enough to convince him to stop sending money to the scammer, I'm not satisfied I can say it's more likely than not Lloyds' intervention would've prevented further payments.

Mr C's representative has highlighted how coercive and manipulative the scammers were, and it's clear from their messages that they were using tactics to persuade Mr C to continue sending money. Also, Mr C's representative thinks a call from Lloyds would've broken the scammer's spell.

Here, I only have to reason a decision based on the balance of probabilities. What I think would more likely than not have happened based on the available evidence. And just because Lloyds didn't intervene when I think they should've, doesn't mean Mr C is entitled to a refund.

Based on Mr C's ongoing communication with the scammer, and his apparent willingness to send more money after finding out it was a scam, I can't fairly say it's more likely than not intervention by Lloyds would've prevented him from making further payments. I say this whether Lloyds had provided an onscreen warning or if they had discussed the payments with him. Especially because I wouldn't have expected intervention prior to payment 10, by which time Mr C was under the scammer's spell and heavily invested in what they were telling him.

I'm really sorry to disappoint Mr C and I understand the serious impact on him of losing these funds. But, for the reasons given above, I'm not satisfied that I can fairly hold Lloyds liable or ask them to refund him.

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 Mr C to accept or reject my decision before 5 January 2026.

Lisa Lowe
Ombudsman