

The complaint

Ms K complains that Lloyds Bank PLC ('Lloyds') won't refund the money she lost after falling victim to a scam.

What happened

In 2023, Ms K was trying to help her sister get a visa to move to the UK. Ms K was introduced to an individual I'll refer to as M, by a family member. Ms K says she was too busy to do any checks and trusted what her family member told her about M. Ms K believed that M was affiliated with a care home and would help with the application process and paperwork.

M asked for an upfront payment of £3,000 with a further £2,000 to be paid after the visa was approved. Ms K made two payments from her Lloyds account. The first was for £1,000 on 8 September 2023, the second was for £2,000 on 11 September 2023.

When Ms K didn't receive the paperwork, she contacted M who gave her excuses for the delay. M eventually told Ms K that he wasn't affiliated with a care home and would refund her – but no refund was ever made.

Ms K raised a fraud claim with Lloyds, who declined to refund her. Lloyds say under the Contingent Reimbursement Model Code (CRM Code), they can rely on an exception to reimbursement as Ms K didn't do any checks on M before making the payments to ensure he was genuine.

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

An investigator looked into Ms K's complaint but agreed that Lloyds could rely on an exception to reimbursement. The investigator felt Ms K should've had concerns and completed independent checks on M to ensure they were legitimate.

Ms K disagreed with the investigator's opinion and asked for an ombudsman to review her case. Ms K says M was referred by her uncle who had met him. Ms K also says she was vulnerable at the time as she was applying for her sister who she is very close to.

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.

Lloyds are a signatory to the CRM Code which requires firms to reimburse customers who have been the victims of APP scams like this, in all but a limited number of circumstances.

Under the CRM Code, a bank may choose not to reimburse a customer if it can establish that an exception applies. In this case Lloyds say Ms K made the payments without having a reasonable basis for believing that: the payee was the person the customer was expecting to

pay; the payment was for genuine goods or services; and/or the person or business with whom they transacted was legitimate.

Having carefully considered everything that Ms K has told us, I'm satisfied that Lloyds can rely on the exception to reimbursement. I'll explain why.

Ms K says she relied on the referral from a trusted family member, however that family member had only met M through colleagues and there is no suggestion that M had previously helped them with visa applications. So, it isn't clear why Ms K believed that he could help with the visa application.

Ms K believed that M was affiliated with a care home but says she didn't know which one. M was expected to help her sister get an interview for a job as part of the process, so I would've expected Ms K to have requested information about the care home and how M was affiliated with them.

I appreciate that Ms K trusted her uncle, but there is no indication that her uncle had completed any checks on M to make sure they were genuine. Ms K says she was too busy to do any checks. But considering the amount of money that M was asking for and the work Ms K was expecting in relation to the visa process, I would've expected her to complete some basic checks to make sure M was who he said he was and that he had the experience to assist with a visa application.

Considering all of these warning signs as a whole and not on an individual basis, I would've expected Ms K to complete checks on M before making the payments. So, I'm not satisfied that Ms K had a reasonable basis for believing M was genuine or that he could legitimately assist her in obtaining a visa for her sister. On that basis, I'm satisfied that Lloyds can rely on the exception to reimbursement under the CRM Code.

Based on the size of the payments and previous transactions and activity on Ms K's account, I'm not persuaded that Lloyds were required to give an effective warning under the CRM Code. I appreciate that this was a lot of money for Ms K, but I'm not satisfied that the payments were so unusual and out of character that Lloyds should've been concerned. On that basis, I'm satisfied that Lloyds have met the standards set for them under the CRM Code and I can't fairly ask them to reimburse Ms K.

Ms K has referred to being vulnerable at the time she made the payments, but as I'm satisfied that her payments aren't covered by the CRM Code, I can't consider her vulnerability under it. And I wouldn't have expected Lloyds to have taken any additional steps when the payments were made, based on what Ms K has told us.

I'm really sorry that Ms K has lost this money and to hear of the impact it's had on her wellbeing. But, having carefully considered the evidence, I'm not satisfied that I can hold Lloyds liable for her loss or ask them to refund her.

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 Ms K to accept or reject my decision before 21 October 2025.

Lisa Lowe
Ombudsman

