

The complaint

Mr and Mrs V are being represented by a claims manager. They're complaining about Lloyds Bank PLC because it declined to refund money they lost as a result of fraud.

What happened

Sadly, Mr and Mrs V say they lost money to two separate investment scams. Mr V says he joined the first scheme in September 2021, making six separate payments between September 2021 and March 2022. Once he realised this money wouldn't be returned, he says he joined another scheme into which he made a further 28 payments between August 2022 and December 2023.

All of the payments were made by transfer to a cryptocurrency account in Mr V's own name, after which the currency purchased was transferred to the two schemes.

Mr and Mrs V's bank statements show eight relatively low-value credits were received from the cryptocurrency exchange between March and June 2022, the period before Mr V says it became clear he wouldn't receive money back from the first scheme. And a further credit in October 2022, which is after the point he says he began investing in the second scheme.

Our investigator didn't recommend the complaint be upheld. He didn't feel there was sufficient evidence to show all of the above payments were lost to the scam.

Mr and Mrs V didn't accept the investigator's assessment. Mr V is adamant that both investment schemes were scams and believes the documentation provided demonstrates he was caught up in them. His representative has also said the schemes were run by Zoom calls and private messaging platforms, meaning there's little traditional evidence to show Mr V invested. But it says the lack of evidence of direct communications with the scammers shouldn't prevent us from finding in his favour, particularly given the use of cryptocurrency as a means to facilitate payments to the schemes.

The complaint has now been referred to me for 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.

Having done so, I've reached the same overall conclusions as the investigator. I haven't necessarily commented on every single point raised but concentrated instead on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

I'm not questioning that the schemes in which Mr V says he invested were scams. While the documentation he's provided relating to the schemes doesn't include his details or clearly

show currency was transferred to them after the payments into his cryptocurrency account, I think the volume of (albeit generic) documentation provided and the nature of his testimony mean it's more likely than not that he did make some payments to the schemes in question.

The difficulty in this case is that without clear evidence showing where each of the payments Mr V has referred to were ultimately sent, I can't be sure they were all lost in the way that's been described. And if I can't be sure which payments were sent to the schemes, I'm not in a position to make a meaningful assessment of his loss or a compensation award.

This situation is further complicated by the fact NatWest's records indicate that when making his complaint, Mr V said only two of the nine credits received from the cryptocurrency exchange outlined above were related to the scams. And in its submissions to us, his representative said he only received four payments from the scams. So it appears Mr V was receiving payments from the cryptocurrency exchange that had nothing to do with the scams, which suggests he may have been carrying out other cryptocurrency-related activity. This conclusion seems more likely given a review of his bank statements in the preceding period show Mr V received more than 20 payments from a different cryptocurrency exchange between February and June 2021, before he says he became involved in the scams.

I appreciate this will come as a disappointment to Mr V. But irrespective of my views on whether Lloyds should have contacted him to question any of the payments before they left his account, without clear evidence to show they were transferred to the investment schemes referred to, I don't believe I have sufficient information to assess the extent of any loss or how much compensation could be due.

Recovery of funds

I've also looked at whether Lloyds could or should have done more to try and recover Mr and Mrs V's losses once it was told in June 2024 that the payments were lost to scams.

But in this case, Mr V transferred funds to a legitimate cryptocurrency account in his own name, meaning he's not eligible for mandatory reimbursement under the Contingent Reimbursement Model (CRM) Code. From there, he purchased cryptocurrency and moved it onto a wallet address of his choosing. Lloyds could only have tried to recover money from Mr V's own account and it appears all the money had already been moved on. If not, anything that was left would still have been available to him to access.

In the circumstances, I don't think anything that Lloyds could have done differently would likely have led to these payments being successfully recovered.

In conclusion

I recognise Mr and Mrs V are likely victims of two cruel scams and I'm sorry for any money they lost. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I don't think there's sufficient evidence to quantify the extent of any loss and that means I won't be able to make any award in their favour.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs V and Mr V to accept or reject my decision before 25 November 2025.

James Biles
Ombudsman