

## **The complaint**

Mr W complains that Lloyds Bank Plc didn't do enough to prevent him losing money to a scam.

Mr W is being represented by a legal representative but for ease I'll only refer to Mr W in the decision.

## **What happened**

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Around late February 2024, Mr W saw a post on social media about crypto by one of his friends. He then started to invest in crypto via an account he held with an electronic money institute I'll refer to here as F. Mr W then became involved in a BTC mining opportunity. In total, Mr W sent around £32,000 towards these investments but they turned out to be scams. He raised a claim with Lloyds who decided that more could've been done to prevent the second scam on 25 March 2024. So, Lloyds made Mr W an offer to refund 50% of the payments he made after that point, minus any credits received with 8% simple interest.

Mr W remained unhappy with that offer, so he brought his complaint to this service. Our Investigator felt Lloyds' offer was fair. But Mr W disagreed and asked for an Ombudsman 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 outcome as our Investigator and for similar reasons. I know this will be disappointing for Mr W, so I'll explain why.

I've read and considered the whole file. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome.

Where the evidence is incomplete, inconclusive, or contradictory (as it is here), I have to make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

It isn't in dispute that Mr W authorised the payments here. And, under the Payment Services Regulations 2017 and the terms of his account, Lloyds are expected to process the payments and Mr W is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Lloyds to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

Mr W says Lloyds should've done more to stop him when he called on 01 March 2025 and if it had then the first and second scam would've been prevented. But I don't agree. I'll explain why.

Firstly, there have been some inconsistencies in Mr W's evidence in relation to the timeframe of the two scams and how he found the 'investment' opportunities. Mr W has now said to this service that he was firstly scammed by a third-party after seeing a friend's social media post and was subsequently scammed by a BTC mining operation.

According to the call transcripts, on 01 March 2024 Mr W attempted to make a payment to a third-party account to buy crypto, but it was stopped by Lloyds. During that call Mr W said he had sent money to that scammer before from F *"but they're (F) terrible at delaying purchases..."* Lloyds provided scam advice and blocked Mr W's account. He then calls back later the same day and says that he thinks it is a scam and no longer wants to make the payment.

The call transcripts continue when Mr W calls back the next day wanting to make a payment to a genuine crypto exchange via his debit card. Lloyds asked him some questions about why he was making the payment and whether there were any third parties involved. But Mr W denies this and says he is making the payment entirely by himself and that no one told him what to say to the bank. Mr W also confirmed he hadn't received any advice to invest via social media. Lloyds then cancelled the payment after Mr W said he had already made other payments that day.

But according to Mr W's evidence the first scam stopped when he went away and did his research into that third-party individual and from then the remaining payments were in relation to a BTC mining scam. However, on the call with Lloyds on 02 March 2024 he denies that there are any third parties involved in him making the payment that day. He then confirms to F on 03 March 2024 that payments he made in late February 2024 to the first scam were in relation to a BTC mining scam as well. But I note to this service recently he has said that *"I was first scammed by a [third party] and then I contacted Lloyds. After that. I went looking into Bitcoin mining and found (scam merchant)"*.

These inconsistencies make it difficult to make a finding that Lloyds could've done more on 01 March 2024 to uncover and stop both scams. According to Mr W's most recent version of events the payment Lloyds stopped on 01 March 2024 was a different scam to the BTC mining one. So, if Lloyds had asked some more probing questions during that call on 01 March 2024, I don't think Mr W would've told it about any BTC mining and third-party companies. And I note he said to F the next day that those payments were being made by him for himself and no-one was telling him to make them.

So, I don't find his testimony very persuasive that if Lloyds had done more on 01 March 2024, then both scams would've been uncovered and he would've stopped making payments. Overall, I think Lloyds reasonably stopped the payment to the third-party bank on 01 March 2024 and because of that intervention and some of its warnings, Mr W went away, did further research and decided he didn't want to make that payment. He then decided to get involved with another scammer which he says he reviewed after he no longer wanted Lloyds to make that first payment. So, I don't think Lloyds could've reasonably stopped the second scam on 01 March 2024. Nor do I think it missed another opportunity to uncover the second scam other than in the call Lloyds has said it could've done more on 25 March 2024.

So, I think Lloyds has made a reasonable offer to refund Mr W from 25 March 2024 minus any credits he had received.

### *Recovery of funds*

I'm not persuaded Lloyds could have done anything more to recover Mr W's funds. I say this because for the faster payments this money was converted at the crypto exchanges into crypto before being sent to the scammer. And for the payments made to accounts in his name these were then sent on the scammers so there were no further funds to recover. Similarly with the card payments, Mr W paid a legitimate cryptocurrency exchange platform who fulfilled the services he paid for. So, there would be no valid chargeback rights regarding these card payments.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 19 November 2025.

Mark Dobson  
**Ombudsman**