

The complaint

Mr R complains that Lloyds Bank PLC (“Lloyds”) won’t refund him money, which he says he lost to a scam.

What happened

The background to this complaint is well known to both parties, so I won’t repeat it all in detail here. But in summary, I understand it to be as follows.

Mr R has said that, in around October 2020, he met somebody through an international online dating site. He’s said he believed a genuine relationship had been formed, when the person he met began to ask him for money. Believing everything to be genuine, between 19 October 2020 and 20 November 2020, Mr R sent eight payments, totalling over £6,700. The payments were made, by debit card, through an account Mr R had set up with a money transfer service.

Mr R has said he never received his money back and so believes he has been scammed and blackmailed. He raised the matter with Lloyds, but it didn’t agree to uphold his complaint. In summary, it said the pattern of payments Mr R made didn’t appear suspicious. It added that due to the method of payment Mr R had used, there were no chargeback rights for it to try and recover the money that had been sent.

Unhappy with Lloyds response, Mr R brought his complaint to this service. One of our Investigator’s looked into things but didn’t think the complaint should be upheld. In summary, our Investigator explained that, while he appreciated Mr R had said a scam occurred, he hadn’t seen any evidence to show that the money claimed had been lost to a scam.

Our Investigator went on to say that, even if it was established that a scam had occurred, he didn’t think the payments Mr R made would have warranted an intervention from Lloyds. He said this because he didn’t believe the payments would have appeared particularly unusual or suspicious to Lloyds.

Mr R didn’t agree with our Investigator’s view. As agreement hasn’t been reached the complaint has been passed to me for a decision.

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 thought about everything carefully, I agree with our Investigator, and I don’t think Lloyds is responsible for refunding the money Mr R sadly lost. I’m sorry to hear of what has happened to Mr R, I know he feels strongly about this complaint, and this will come as a disappointment to him.

Lloyds were a signatory of the Lending Standards Board’s Contingent Reimbursement Model (CRM Code), which was in place at the time these payments were made. Under

certain circumstances, the CRM Code can require that firms reimburse customers who have fallen victim to scams. However, the CRM Code requires a customer to transfer funds to 'another person'. The payments Mr R made from his Lloyds account went to an account in his own name, which he'd set up with a money transfer service, before being moved on. So, the payments aren't covered by or within the scope of the CRM Code. This is because Mr R wasn't paying 'another person'. This means the CRM Code isn't an applicable consideration in this case.

Mr R hasn't been able to evidence that he made the disputed payments as the result of a scam. The payments go to a genuine money transfer service, with the funds then being moved on from there. While there appears to be no doubt that Mr R sent these payments, he hasn't been able to show any link between these transactions and the scammers.

Unfortunately, Mr R no longer holds any evidence of the communications he had with the person he sent the money to. I appreciate there has been a considerable amount of time between the payments being made and Mr R raising the fraud claim, and I don't doubt this would have made it even harder for Mr R to produce appropriate evidence. But in the absence of any evidence to show his communication with a scammer, along with evidence that would support all the disputed payments were lost to a scam; I can't say with any certainty what level of financial loss Mr R has suffered.

Having said that and for the purposes of this decision, I think it's worth noting that, even if I did consider there was sufficient evidence to demonstrate the loss Mr R suffered was due to a scam, I don't think there would be grounds for me to fairly and reasonably hold Lloyds liable for his loss.

I say that as in broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the customer's account.

However, there are times when I might expect a bank to question a transaction or payment, even though it may have been properly authorised. Broadly speaking, firms (like Lloyds) should fairly and reasonably have been on the lookout for the possibility of fraud in order to protect its customers from the possible risk of financial harm as a result of fraud and scams.

With this in mind, I've considered whether the payments Mr R made were ones Lloyds should have had particular concern about. In doing so, I'm mindful that banks, such as Lloyds, process a high volume of transfers and transactions each day. And a balance has to be struck as to when it should possibly intervene on a payment against not holding up or delaying its customer's requests.

I don't doubt the payments represented a lot of money to Mr R. But when compared with other payments that Lloyds processes daily, I'm not persuaded they were of values which I think would have appeared so suspicious or unusual to Lloyds, such that they ought to have alerted Lloyds to the possibility Mr R was at risk of financial harm. I say that as the payments were spread over a number of weeks, with no obvious pattern of a sequence of payments of ever-increasing values, which can sometimes be an indicator of fraud. As well as this, the payments didn't clear the balance of Mr R's account – which can sometimes, but of course not always, be another indication of fraud.

All things considered, I don't think Lloyds made an error in allowing the payments to be progressed.

I've gone on to think about whether Lloyds could have recovered any of the funds Mr R lost when it was made aware of the dispute. Given the payments here were card payments, I've

considered whether the chargeback process was an option for Mr R. A chargeback is a voluntary scheme run by card scheme providers. It arbitrates on disputes between a customer and a merchant where they haven't been able to resolve matters themselves. The arbitration process is subject to the rules of the scheme and there are only limited grounds on which a chargeback can be raised. Chargebacks raised outside of these grounds are deemed invalid.

However, the records here show that Mr R moved the money through a genuine money transfer service. The merchant Mr R paid provided the service asked for, therefore there are no chargeback rights under the scheme and no prospect of a successful recovery.

Finally, Mr R has shared some details of his personal circumstances. I thank him for this. But from the evidence I've seen I can't see that Lloyds has ever been asked to make any adjustments for Mr R. Such that it should have known to take additional steps to protect him, or to have suspected something was wrong at the time these payments were made.

Overall, all things considered and given the circumstances, I don't think Lloyds made an error in allowing the payments to be progressed.

I don't intend any comments or findings I've made in this decision to downplay or diminish what Mr R has told us and the impact this has had on him. I understand the whole experience has been deeply upsetting and I do have a great deal of sympathy for him. But in the circumstances, having carefully considered everything, I don't find Lloyds could have reasonably prevented Mr R's loss here. Nor do I find there were any other failings on Lloyds part that would lead me to uphold this complaint.

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 R to accept or reject my decision before 27 January 2026.

Stephen Wise
Ombudsman