

The complaint

Mr W has complained that Lloyds Bank PLC won't refund the money he says he lost in a scam.

What happened

In 2024, Mr W complained to Lloyds via representatives. He said that over the course of early 2021 to early 2022, his payments to his cryptocurrency wallets had been made as part of a scam. These payments totalled nearly £150,000.

Mr W explained that he'd seen an advert for a crypto investment broker on social media, saying they could get 20%/year returns. This broker persuaded Mr W to buy crypto, then send it from his own crypto accounts to the broker's platform. Mr W said they used bots to manipulate the price of his transfers, and later blocked him from withdrawing the money.

Lloyds didn't think they were liable for Mr W's alleged loss.

Our Investigator looked into things independently and upheld the complaint. Lloyds didn't agree, so the complaint's been passed to me to decide.

I sent Mr W and Lloyds a provisional decision on 9 September 2025, to explain why I didn't think the complaint should be upheld. In that decision, I said:

I understand that Mr W may have fallen victim to a scam, and if that is the case then he has my sympathy there. I appreciate that scams can often be cruel, and are usually not easy matters to face. I appreciate why Mr W would want to get his money back one way or another if he was scammed. I must keep in mind that it'd be the scammer who'd be primarily responsible for any such scam, and it'd be the scammer who'd really owe Mr W the money back. But I'm just considering what Lloyds are responsible for.

With that said, I'm afraid it's not currently clear whether Mr W did fall victim to a scam here. For example, I've not been given any records of contact between any scammer and Mr W personally, just a link to a general messaging group. Mr W doesn't seem to have any records of calls or emails with any scammer, nor any screenshots, documents, or other evidence which actually substantiates that any of these payments related to a scam. He's not provided the statements for one of his crypto accounts involved, and with the other all I can see is that Mr W bought some crypto and sent it somewhere. With nothing to link that to any scam, for all I know those transfers went to other wallets of Mr W's or to acquaintances of his, or were used to purchase goods or services, and so on.

I'm not saying I've concluded that Mr W actually made a false claim here. My point is that I could only reasonably hold Lloyds liable for an alleged scam loss if the evidence actually supported that there had been a relevant loss to a scam. But here, I have no evidence which reasonably shows or substantiates that. Mr W had already been investing in crypto for years across multiple accounts, and I have no evidential basis on which to assume that these payments were any different.

So I don't currently have sufficient evidence that Mr W suffered any relevant scam loss here. Which would mean there'd be no scam loss for Lloyds to potentially be held liable for.

With that said, even if I were to conclude that all these payments were definitely lost to a scam – despite the lack of evidence – I'm afraid I still couldn't reasonably hold Lloyds responsible for that alleged loss. I'll explain why.

It's not in dispute that Mr W authorised the payments involved. So although he didn't intend for the money to end up with an alleged scammer, under the Payment Services Regulations he is liable for his own payments and a resulting loss in the first instance. And broadly speaking, Lloyds had an obligation to follow his instructions – the starting position in law is that banks are expected to process payments which a customer authorises them to make.

Lloyds should have been on the lookout for payments which could be the result of fraud or scams, to help prevent them; though a balance must be struck between identifying and responding to potentially fraudulent payments, and ensuring there's minimal disruption to legitimate payments. Given factors like the size, speed, and crypto-related nature of these payments, I think Lloyds should've intervened. So I'm glad to see they did, more than once.

Having listened to the calls involved, I do think Lloyds could've intervened a bit better, such as by asking more open questions. But they did ask relevant questions, probe some of Mr W's responses, and provide very relevant warnings. I'm afraid I find that the main reason why the intervention failed was due to Mr W's actions. Mr W repeatedly misled Lloyds, giving a consistent and plausible cover story. He reassured the bank that he was just investing in crypto of his own accord, as he'd done for years. He confirmed the payments were just going to his own crypto account and he wasn't going to send them on to anywhere else, he wasn't being advised on investments by any broker nor had anyone asked him to send the crypto on to their platform, he wasn't taking instructions from any broker or investment company, he definitely wasn't in contact with any such party, he was fully aware of such crypto investment scams, and he understood the risks of crypto. Mr W presented himself as an experienced crypto investor who'd done this for years, using relevant technical terms and discussing things like market performance and recent industry news. He even asked the staff to add notes to his account to prevent further intervention. Mr W stuck to his story, he hid pertinent details, and he ignored repeated scam warnings – which included details about crypto scams very relevant to the scam he's since described.

So even if I had enough evidence to conclude that Mr W suffered a relevant scam loss, it seems most likely that reasonable, proportionate intervention would not have stopped the loss here. As such, I could not reasonably hold Lloyds liable there.

I've then considered what Lloyds did to try to recover the money after Mr W told them he thought this was a scam. I'm afraid it was not possible for Lloyds to recover money where Mr W had already bought crypto and sent it on. And any money still left in Mr W's own crypto accounts was still available to him anyway, so there was nothing more for Lloyds to do there. As these were payments to Mr W's own crypto accounts, they were not covered by the CRM Code for scams. Regarding the card payments, it would've been too late to do a chargeback by the time this was reported. And there was no chargeback reason which would've been appropriate here anyway. A chargeback would've been a claim against Mr W's own genuine exchanges rather than any scammer. And the exchanges provided the services they were supposed to. There was no realistic prospect of success for a chargeback, and chargebacks are voluntary, so Lloyds didn't need to try one in this case. And I'm afraid there was nothing more that Lloyds could've reasonably done to get the money back here.

So while I'm very sorry to hear that Mr W may have lost these sums to a scam, based on what I've seen so far I don't currently think that Lloyds can fairly be held responsible for his alleged loss. Which means I cannot fairly tell Lloyds to reimburse Mr W in this case.

In response to the provisional decision, Lloyds didn't add anything further. I'll talk about the reply from Mr W's representatives below.

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.

To help Mr W's claim, the representatives provided some further evidence, and I'm grateful for their efforts. However, I'm afraid I find that the new evidence is not sufficient. The email with one of the alleged scam platforms is from some months after the payments in dispute and contains little of relevance. The marketing materials they sent us are public and don't evidence that these payments were linked. The wallet information provided contains nothing to show it was Mr W's, and the transactions listed are not in line with the transactions in dispute or the stated losses – they even seem to rather undermine the stated losses. The platform screenshot they sent is generic and also contains nothing to link it to Mr W or the payments in dispute, and Mr W previously said he was unable to obtain such screenshots. Overall, I still have no evidence which reasonably shows or substantiates that these particular payments in dispute were lost to a scam.

Mr W's representatives sent further evidence to indicate that the crypto investment schemes they'd named might have been scams. But even if I accept they were scams, I've not been given sufficient evidence to substantiate that *these* particular payments were made as part of said alleged scams.

Mr W's representatives felt we were asking Mr W to prove things beyond reasonable doubt, and felt we should just rely on his testimony since it wasn't his fault he couldn't provide the relevant evidence. But we've not asked him to prove anything beyond reasonable doubt, we've just asked for evidence which reasonably substantiates his claimed losses. I cannot fairly hold Lloyds liable for an alleged loss where there's no evidence which reasonably substantiates that loss. If we just took people's word for it, it would allow consumers to do things like simply buy crypto, send it to another wallet of theirs or an acquaintance's, falsely claim it was sent to a known scam, then effectively double their money. That approach would be neither fair nor reasonable. And here, it's notable that Mr W never mentioned these schemes during his lengthy calls with Lloyds at the time – even when asked about his next steps or sending the crypto on, he had a history of genuinely investing in crypto, and he's not been able to produce any evidence of his direct involvement in the alleged schemes from the actual time of his payments despite being a relatively experienced crypto investor. While I've not concluded that Mr W actually made a false claim, I'm afraid the balance of evidence is not sufficiently in his favour.

So even if I were to accept that these named schemes were scams, I simply do not have enough to reasonably conclude that the payments in dispute were lost to any such scams.

The representatives also argued that Lloyds should've flagged the spending and intervened. But I'd already agreed they should have, and Lloyds *did* intervene – multiple times.

The representatives said that during the intervention calls, Mr W was only asked and provided yes or no answers. But that's not true. He was also asked more open questions about things like where his money was going, the source of his funds, the process he'd followed, his future investment plans, and so on, and Lloyds also probed his answers at key points. And Mr W gave much more than just yes or no answers, including detailing how he planned to invest in stages depending on the market, his understanding of the risks involved, and discussing things like market performance and recent industry news.

Similarly, the representatives argued that Mr W's answers were honest; but that was not the case. For example, he confirmed that the payments were just going to his account at the well-known exchange and he wasn't going to send them on, he wasn't being advised on his investment and was doing this on his own, he wasn't taking instructions from or in contact with any broker or investment company, and so on. He presented a consistent and plausible cover story that he was just investing in crypto of his own accord, as he'd done for years. He consistently stuck to his cover story and didn't mention the investment schemes; so while I agree that Lloyds' questioning could've been better in places, it's most likely that Mr W would've done the same even with further questioning. The questions his representatives suggested were either broadly already covered or were not difficult to fit into his story given he said he was doing this of his own accord while monitoring the market and adjusting his plans accordingly, as opposed to saying he was involved in any project or scheme or expecting any specific returns. And I did not expect or require Lloyds to have acquired and sifted through Mr W's crypto account statements and investigated his third party account activity, as his representatives suggested. Lloyds were not acting as Mr W's investment advisors here, they were just processing his payments. That wouldn't have been reasonable or proportionate intervention in this situation. Because of the answers Mr W chose to give, Lloyds had been sufficiently reassured that the matter was most likely legitimate.

While this is a more minor point, Mr W was given repeated scam warnings, which included details about crypto scams relevant to his own – such as online parties offering large returns and asking people to buy crypto and move it on from their exchange wallets to other places, the risks of not telling the truth, and scammers masquerading as seemingly professional investment companies. Lloyds were not yet required to give the same kinds of better tailored warnings as they were in later years, and I don't think more tailored warnings were likely to have stopped the loss here anyway, not least as they'd be tailored to Mr W's misleading answers. The representatives suggested that Lloyds should've told Mr W to check whether his investment advisor was FCA regulated. But Mr W told Lloyds he wasn't receiving any advice, he'd made it clear he knew about crypto and its risks in detail so it's very unlikely he was unaware of its unregulated nature, and the automated payment warnings already directed him to check things with the FCA anyway.

Of course, I'm afraid that the intervention points are ultimately academic, since there's not sufficient evidence on which I could fairly hold Lloyds liable for the alleged losses anyway. But even if I had enough evidence to conclude that the payments in question were lost to a scam, I still find it's most likely that reasonable, proportionate intervention would not have stopped the loss here.

So having reconsidered the case, I've come to the same conclusion as before: that I cannot reasonably hold Lloyds liable for the stated losses in this case. This is a difficult message for me to give, and I know it's a difficult message for Mr W to receive. But given the evidence at hand and the balance of probabilities, I'm unable to reasonably reach any other conclusion.

My final decision

I do not uphold this complaint.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 29 October 2025.

Adam Charles
Ombudsman