

## The complaint

Mr and Mrs D complain that Lloyds Bank PLC (Lloyds) is refusing to refund them the amount they lost as the result of a scam.

Mr and Mrs D are being represented by a third party. To keep things simple, I will refer to Mr and Mrs D throughout my decision.

## What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr and Mrs D have told us that Mr D viewed a video online for a business I will call "X" advertising an investment opportunity, the opportunity offered substantial returns after making a relatively small investment. The investment appeared to be endorsed by a well-known celebrity.

Mr D completed an online form and received a call from a representative of X. X appeared very knowledgeable and genuine, and introduced Mr D to a professional looking trading platform.

Mr D started investing with a small payment and could see his investment was growing. After making a second small payment on the advice of X, X encouraged Mr D to take part in another investment that required a total deposit of £100,000. Mr D agreed to invest and could see his account growing to around £700,000.

It was then explained to Mr D that he had made a trading error and would have to pay an additional fee to fix the error. X then liquidated the remaining assets leaving a significant balance in Mr D's account.

However, when Mr D attempted to withdraw the funds, he was asked to pay multiple other fees first. Mr D made various payments and was told a courier would deliver Mr D's funds to him and escort him to his bank to facilitate a transfer.

Mr and Mrs D realised they had fallen victim to a scam when the courier didn't arrive, and X stopped communicating with them.

Mr and Mrs D Made the following payments in relation to the scam from their Lloyds accounts:

| Payment | Date              | Payee | Payment Method | Amount     |
|---------|-------------------|-------|----------------|------------|
| 1       | 8 September 2023  | Mr D  | Transfer       | £8,000.00  |
| 2       | 18 September 2023 | Mr D  | Transfer       | £3,500.00  |
| 3       | 21 September 2023 | Mr D  | Transfer       | £20,000.00 |
| 4       | 11 October 2023   | Mr D  | Transfer       | £4,500.00  |
| 5       | 1 November 2023   | Mr D  | Transfer       | £9,000.00  |
| 6       | 6 November 2023   | Mr D  | Transfer       | £6,000.00  |

|    |                  |             |                       |            |
|----|------------------|-------------|-----------------------|------------|
| 7  | 8 December 2023  | Mr D        | Transfer              | £20,000.00 |
| 8  | 8 December 2023  | Mr D        | Transfer              | £5,000.00  |
| 9  | 11 December 2023 | Mr D        | Transfer              | £15,000.00 |
| 10 | 31 January 2024  | Mr D        | Transfer              | £7,750.00  |
| 11 | 31 January 2024  | Mr D        | Transfer              | £7,750.00  |
| 12 | 7 February 2024  | Mr D        | Transfer              | £5,000.00  |
| 13 | 13 March 2024    | Mr D        | Transfer              | £3,000.00  |
| 14 | 15 March 2024    | Mr D        | Transfer              | £6,800.00  |
| 15 | 8 May 2024       | Foreign Act | International Payment | £5,184.99  |
| 16 | 9 May 2024       | Foreign Act | International Payment | £5,093.62  |

Our Investigator considered Mr and Mrs D's complaint and didn't think it should be upheld. As Mr and Mrs D disagreed, this complaint has been passed to me to decide.

### **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.

It has not been disputed that Mr and Mrs D have fallen victim to a cruel scam. The evidence provided by both Mr and Mrs D and Lloyds sets out what happened. What is in dispute is whether Lloyds should refund the money Mr and Mrs D lost due to the scam.

#### *Recovering the payments made in relation to the scam.*

The first 14 payments made in relation to the scam were made by transfer to an account in Mr D's name. So, if any funds did remain within Mr D's other account they would remain within his control and not require recovery. In any event Mr D has confirmed those funds were forwarded from his other account in relation to the scam.

The last 2 payments Mr and Mrs D have disputed were international transfers. When payments are made via this method Lloyds has limited options available to it to attempt recovery. In my experience scammers tend to move funds on soon after they are received. So, I think it was unlikely any funds remained in the payees account by the time the scam was reported.

With the above in mind, I don't think Lloyds had any reasonable options available to it to seek recovery of the payments Mr and Mrs D have disputed.

#### *Should Lloyds have reasonably prevented the payments made in relation to the scam?*

It has been accepted that Mr D authorised the payments that were made from Mr and Mrs D's accounts with Lloyds, albeit on X's instruction. So, the starting point here is that Mr and Mrs D are responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Lloyds should have been aware of the scam and intervened when the payments were made. And if it had intervened, would it have been able to prevent the scam taking place.

The first 14 payments made from Mr and Mrs D's Lloyds account were made to another account in Mr D's name. This type of payment generally comes with less risk but considering

the first 3 payments were made shortly after several loans were received into the account, I think it could be argued that Lloyds should have had concerns that Mr and Mrs D could be at risk of financial harm and it should have intervened.

Other large payments and international payments were also made from Mr and Mrs D's Lloyds account in relation to the scam that were not in keeping with how they normally operated their account, so I think there was also other occasions where Lloyds should also have intervened.

I can see that Lloyds did intervene when a payment was attempted for the value of £5,000 to an account in Mr D's name. Mr D confirmed:

- He was transferring funds probably for a holiday.
- He was not on the phone to anyone else.
- He had not been told to lie about the reason for the payment.

Although I think Lloyds should have intervened further than it did, I don't think this would have made a difference. I say this because Mr D has confirmed he was coached on what to say by X and he was not using the funds in relation to a holiday, so I think it's clear Mr D was giving dishonest information to have the payment processed.

In addition to the above Mr D took several loans to fund the scam. Mr D has confirmed that he didn't give correct reasons when applying for the loans either.

Aswell as making payments from Lloyds in relation to the scam Mr D made payments from other accounts he held with other providers. The other providers intervened on multiple occasions throughout the time the scam was taking place.

Mr D confirmed:

- He had not downloaded any screensharing software.
- He had not been advised to create an account after hearing about an investment opportunity.
- He was using a web browser to access his account as it was easier.
- He had found the cryptocurrency exchanges by carrying out research on the FCA.
- Nobody referred anything to him.
- He chose the account provider as it was a UK regulated institution.
- He was purchasing goods or services.
- He took full responsibility for the payments.
- He understood that if he was being scammed the fraudster may ask him to hide the real reason for the payment.
- He was not being assisted with the questions.
- He was buying goods from an online retailer.
- The goods were averagely priced or more expensive than usual.
- He knew or had met the seller.
- He had seen proof of ownership.
- He was making a business transfer.
- He had not been told to select "Goods or Services" for the payment purpose.
- He knew the payee.
- He took full responsibility for the payments
- He wasn't being guided with the transaction
- He had not been asked to send the money

Overall, I think it's clear that Mr D was being guided by X and was willing to give dishonest answers to have payments in relation to the scam made. Mr D was also willing to ignore warnings given by his other account providers.

So even though I do think Lloyds should have intervened further than it did, I don't have enough to say that Mr D would have provided more honest information than he did on multiple other occasions.

Providing dishonest information would and did make it very difficult for Mr and Mrs D's account providers to uncover the scam that was taking place. So, I don't think Lloyds missed an opportunity to uncover the scam and it is not responsible for Mr and Mrs D's loss.

Mr D has stated that he was vulnerable at the time the scam was taking place. He is an elderly man with various health conditions. I have thought about what Mr D has told us but as Lloyds was not aware of Mr D's health conditions until he reported the scam, I am unable to say that Lloyds should have taken these into consideration.

I also don't think Mr D's age alone would reasonably have caused Lloyds to have concerns. Mr D was able to discuss the payments with Lloyds and his other account providers, and I can't see anything that would have concerned Lloyds that Mr D's age was negatively impacting his ability to make reasonable decisions.

I understand Lloyds did decide to refund some of the funds lost by Mr and Mrs D. For the reasons I have already explained above this refund is more than anything I could reasonably ask Lloyds to do.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Mrs D to accept or reject my decision before 9 January 2026.

Terry Woodham  
**Ombudsman**