

The complaint

Ms M complains about Lloyds Bank PLC.

She says that Lloyds didn't do enough to protect her when she fell victim to a scam and would like it to refund her in full for the money she has lost.

What happened

Ms M unfortunately fell victim to an investment scam in October 2024.

Ms M complained to Lloyds about what happened, and it refunded some of the payments she made in full (less £100 excess it can apply) and refunded 50% of the last five payments. I have set this out in a table below.

Payment	Date	Recipient	Refunded	Amount
1	15/10/2024	Individual	100%	£1,000
2	16/10/2024	Individual	100%	£5,000
3	16/10/2024	Individual	100%	£5,000
4	18/10/2024	Crypto exchange	No	£760
5	29/10/2024	Crypto exchange	50%	£16,500
6	30/10/2024	Crypto exchange	50%	£450
7	02/11/2024	Crypto exchange	50%	£17,000
8	02/11/2024	Crypto exchange	50%	£8,000
9	03/11/2024	Crypto exchange	50%	£10,000
			Total	£63,710

Ms M remained unhappy with the outcome Lloyds had reached and brought her complaint to this Service.

Our Investigator looked into things but said that they felt the outcome Lloyds had reached was fair.

They explained that Lloyds had refunded the first three payments under the rules that came into place on 7 October 2024 – and that Lloyds had rightly applied an excess of £100 to this amount.

They went on to say that payments four to nine were not covered by these rules as they were made to a genuine cryptocurrency exchange and so are not covered in the same way as the earlier payments. They also explained that they felt that payment four required no intervention from Lloyds, and so they didn't think it needed to refund this payment, and that Lloyds was fair to apply a 50% deduction for the remaining payments as Ms M wasn't as careful as she should have been before parting with her money.

Ms M has accepted the outcome for payments one to three – but has asked for a final decision on payments four to nine as she says that she was vulnerable and unable to protect herself from the scam, so the complaint has been passed to me.

As Ms M has already accepted the outcome on the first three payments, I will only be considering payments four to nine in this 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 done so, I am not going to direct Lloyds to pay Ms M any further redress than it has already agreed to do. I know that this will not be welcome news to Ms M, and I am very sorry for the situation she finds herself in. I'll explain why.

In broad terms, the starting position banks and payment service providers such as Lloyds are expected to process payments and withdrawals that a customer authorises it to make – there is no dispute that Ms M authorised payments four to nine, so the starting point is that she is liable for them, even if she was tricked into making them.

However, Lloyds still has a responsibility to be on the look out for transactions which may indicate its customer may be at risk of financial harm, and to intervene accordingly.

Payment four, although going to a crypto exchange, was not large or suspicious enough for me to reasonably conclude that Lloyds should have stepped in when Ms M made the payment. Not every payment made to crypto is made as part of a scam, and businesses such as Lloyds can't be expected to intervene on every such payment.

However, payment five was for a significant amount – again going to crypto, and the size of the payment combined with the destination of the funds should have caused Lloyds concern – and indeed it did pick up this payment and spoke with Ms M over the phone.

Lloyds has correctly identified that it didn't do as much as it should have done during this call and so has refunded Ms M 50% of payments five to nine. It made a deduction to the redress it paid to Ms M for contributory negligence because she wasn't as careful as she should have been before parting with her money.

Having taken into account what took place, I think that it was right to apply this deduction as I agree that Ms M didn't take enough care with what she was doing and so should be liable for a proportion of the loss. I'll explain why.

- Ms M didn't do enough research into the supposed investment she was making- she says that she did some research online, but wasn't able to find any negative reviews, but it is clear that the company she thought she was making payments to was not registered with the Financial Conduct Authority (FCA). Considering the amount of money she was parting with, I think it reasonable that she should have done more research into who she was investing with
- Ms M received no paperwork in relation to the supposed investment, and wasn't sure how the investment worked, how she would get returns or what she was actually investing in – considering the amount of money she was paying, I think she should have taken further steps to fully understand what she was paying into
- At the beginning of the scam, Ms M was making payments to individuals rather than to an investment business – the messages between Ms M and the scammer have now been deleted so I can't see if she questioned this at the time – but I think that this should have raised alarm bells with her

- The rate of return Ms M was supposedly getting was extremely high and unrealistic – too good to be true. She was told that after investing £11,000, her investment had grown to be £25,000. This is not believable and again should have alerted Ms M that this may not have been a legitimate investment.

So, taking this into account, I don't think that Ms M did enough to protect herself and it is fair that Lloyds make a deduction in the redress it has paid her.

In response to the Investigators view, Ms M has said that she was vulnerable to the scam – and therefore unable to protect herself from what happened to her – so she feels that the deduction in award is too high. She has kindly set this out in detail for me to consider.

I have considered that Ms M has explained about her personal circumstances and thank her for sharing them with me, I can also see that the details she has provided do make her a more vulnerable person. However, I cannot say that her circumstances made her completely unable to protect herself or made her more susceptible to the scam she unfortunately fell victim to.

Ms M was able to take some steps to research what she was doing – and the scam wasn't particularly high pressure, so she had time to consider what she was doing and reflect, and while she says that she needs extra support to do her job where she is employed by a family business, I cannot conclude that she was unable to do more due diligence than she did.

I am very sorry for what has happened to Ms M – she has cruelly been taken advantage of by unscrupulous scammer and I know this has left her not only financially harmed, but it has taken a toll on her mentally too. But taking everything into account, I do not think that Lloyds needs to refund her any more than it has already done.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 28 November 2025.

Claire Pugh
Ombudsman