

## The complaint

Mr H complains that Lloyds Bank PLC (as the recipient bank) didn't do enough to prevent him losing money to a scam.

Mr H has used a representative to bring his complaint. But, for ease of reading, I'll mostly just refer to Mr H himself where I also mean the representative.

## What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide an overview of some of the key events here. In 2023 Mr H was sadly the victim of a scam. He says he saw a newspaper advertisement for a well-known investment bank 'M' offering bonds. He says he responded to the advert and was then contacted by someone purporting to be from M. He says the person he was dealing with was knowledgeable about bonds and came across as professional.

He was ultimately persuaded to send multiple payments from his account with 'R', believing at the time that he was investing in bonds. None of the payments went to M, rather Mr H was told the payment had to go to other entities because they were the lending agencies that M were using to fund the transactions and hold the bonds.

Of relevance to this complaint are the below payments that Mr H made from his account with R which credited an account held with Lloyds.

Date	Amount
3 October 2023	£49,990
23 October 2023	£15,000
27 October 2023	£15,000
28 November 2023	£10,000

Mr H says that he tried to view his bonds online and the website was down. So he called the numbers he had for M and no-one picked up. At this point, he found a number for the bonds department of M online, and when he called he was put straight through to their fraud department and the scam was discovered.

Mr H complained to Lloyds that they'd allowed a scammer to open and operate an account. He alleged they'd failed in various ways and is seeking a return of the money he paid into the Lloyds account. Lloyds didn't think they'd done anything wrong and didn't offer any redress. The matter was referred to our service alongside several other complaints Mr H had made to the financial businesses involved. As several of those other complaints were referred for an Ombudsman's decision, and allocated to me, it was appropriate that I also considered this complaint. In October 2025 I issued a provisional decision in which I said:

*"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint."*

*Firstly, Mr H has no automatic right to a refund from Lloyds in the circumstances here. Even where I accept he's been a victim of a scam, and that Lloyds provided an account that received his funds. There is no customer relationship or duty of care between Mr H and Lloyds. However, if Lloyds have failed in a way that can be said to have caused his loss, then I would consider it fair and reasonable that they should provide redress.*

*The account Mr H paid was opened in August 2023. I've reviewed the information provided during that process and I've seen evidence that appropriate checks were conducted. So, I don't think there were any failings in relation to the opening of the account that could fairly be said to have caused Mr H's loss. And even if I'm wrong on that point, the way in which the scam unfolded showed that the scammers had access to multiple accounts with different providers. So if Lloyds never should've opened this account, this likely wouldn't have impacted the position Mr H now finds himself in as it's most likely he would've instead been directed to pay other accounts the scammers controlled. The same applies to the activity on the account prior to the arrival of Mr H's payments. If Lloyds had had cause to close the account within that time period, it's most likely that he would again have been directed to pay another account instead.*

*The payments Mr H sent, would've appeared to have been intended for the named accountholder. Mr H says at the time he believed he was paying a 'lending agent' who held the bonds on behalf of M. Further to this, I'm also considering the actions of another recipient bank 'H', that Mr H had paid as a result of the same scam. In that case, the recipient bank challenged their accountholder about some of the activity on the account and was provided with plausible invoices to explain the activity. So, with the above factors in mind, even if I were to say that the activity on the Lloyds account ought to have prompted an earlier intervention or review, I'm not persuaded this would've resulted in Mr H ending up in a meaningfully different position.*

*I say this because it's more likely than not that their accountholder (who on balance was linked to or associated with the same scam) would've similarly have provided evidence to support any activity. And I don't think Lloyds would've had reason at that time to have doubted what their customer likely would've told them or that there were other factors where I could fairly have expected them to have contacted the sending bank. Notably, there were no reports of fraud in relation to this account prior to Mr H's funds having been spent from the account. As I've mentioned, Mr H's payments appeared to be intended for that account, we know the scammers were prepared to supply plausible documentation to support their entitlement to funds and I don't think there would've been enough for Lloyds to have concluded that their customer was the beneficiary of scam funds. So I don't think Lloyds failed in their monitoring of the account such that they could fairly be said to have caused Mr H's loss.*

*The funds Mr H paid into the account were also all spent before Lloyds were on notice of there being a potential problem with the account. So, I don't think anything they did or didn't do in March 2024 when Mr H notified them of the scam impacted whether a recovery could be made.*

*Overall, in the circumstances here, I don't think there is a reasonable basis upon which I could direct Lloyds to make a payment as Mr H would like."*

Lloyds acknowledged receipt of my decision but didn't provide any further comments. Mr H provided a response which I'll address 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.

Mr H says that the suggestion that he would've paid other accounts is untrue and not supported by evidence. Respectfully, I don't agree. There was an instance where Mr H had a payment returned from one of the accounts he'd previously paid and was reassured by what the scammers had told him in that regard. And the context to Mr H potentially being directed to pay other accounts above was if Lloyds had acted ahead of the arrival of any of his payments. As such, even if Lloyds had blocked the account, this isn't something Mr H would've been aware of and I maintain it's more likely than not that the scammers would've instead directed him to pay other accounts they controlled. This is supported by the fact that Mr H paid three different recipient accounts in the course of being scammed.

He's also suggested that Lloyds didn't monitor the account appropriately given the value of payments received. I've considered this but again, the evidence supports that the scammers were willing and able to provide plausible evidence to support the activity on an account. And I don't think any reasonable level of intervention by Lloyds would've ended up in Mr H discovering the scam sooner or not losing the money he did. Particularly in the context of there not having been any reports of a scam and the payments appearing to be intended for the named account holder.

Mr H also made reference to a linked complaint about another bank 'N' that he had with our service. That complaint was resolved by one of our Investigators on the basis of N making an offer to refund him. Here, Lloyds were the recipient bank, whereas Mr H held an account with N. Each complaint is considered on its individual merits and the fact that N made an offer to resolve the complaint doesn't obligate Lloyds to do the same or otherwise impact my thoughts as to the outcome of this complaint. As an aside, Mr H's linked complaint about R has been upheld (this included consideration of the same payments that are the subject of this complaint). So even if this complaint had been upheld, it would mean that the redress likely would've been split between two respondents, rather than Mr H ending up receiving a greater amount. Having considered all the further submissions, I'm not persuaded to deviate from the outcome explained in my provisional decision.

### **My final decision**

For the reasons outlined above, 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 H to accept or reject my decision before 21 November 2025.

Richard Annandale  
**Ombudsman**