

## **The complaint**

Mrs H complains that Lloyds Bank PLC will not reimburse funds she lost as a result of a scam.

Mrs H is represented by a firm, but for ease I have only referred to Mrs H in this decision.

## **What happened**

The background to this complaint is well known to both parties so I will not repeat it in detail here. In summary, Between November 2020 and March 2022 Mrs H made payments to a money transfer service and two cryptocurrency platforms as a result of a scam she said she fell victim to.

Mrs H said she became friendly with someone she met on a dating website who claimed to be in the military overseas and expressed a desire to leave. Mrs H said she sent money to them to help with living expenses and in an effort to help them leave the military. After convincing Mrs H to share her banking details, the scammer began making payments from her account. Mrs H later realised it had been a scam and reported the matter to Lloyds, but it did not refund the money she lost. Mrs H subsequently raised a complaint. Lloyds said it had intervened but Mrs H did not give honest answers to its questions. However it thought it could have done more to educate Mrs H when she first reported the scam, so it reimbursed her £2,388.80.

Mrs H referred her complaint to our service but our Investigator didn't think it should be upheld. He thought Mrs H was completely under the spell of the scammer and he didn't think Lloyds could have taken any action to stop her making payments.

Mrs H didn't agree with our Investigator, as such the complaint has been passed to me for a final 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.

I recognise that I have summarised this complaint in much less detail than has been provided. I want to reassure both parties that I have taken their submission into consideration and if I haven't mentioned something it isn't because I've ignored it. Rather, I've focussed on setting out what is key to my decision.

Firstly I want to thank Mrs H for sharing so openly with us, I appreciate that she has been the victim of a very cruel and sophisticated scam and it has been an exceedingly challenging time for her following all that happened. While I sympathise with Mrs H, I must put aside my feelings and consider the complaint impartially. Having done so, I have reached the same outcome as our Investigator and for broadly the same reasons. I know this will come as a disappointment to Mrs H, but I'll explain why.

It's not clear which payments Mrs H made herself and which were made by the scammer using her details. Regardless, I'm satisfied Mrs H authorised the transactions when she gave the scammer her banking details for them to use. And in accordance with the Payment Services Regulations (2017) and the terms and conditions of the account, Mrs H is responsible for the loss. However, taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice, Lloyds should have looked at the wider circumstances surrounding the transaction before making the payment and taken steps to keep its customer's accounts safe. Therefore, it ought to look out for payments which might indicate that its customer is at risk of financial harm due to fraud.

I think Lloyds ought reasonably to have recognised that the value of the payments increased over time, as did the frequency with which Mrs H was making them, which are patterns often found where a scam is involved. Considering this, I think it ought to have been concerned that Mrs H might be at risk of financial harm and enquired further about the purpose of the payments and the circumstances surrounding them.

Lloyds intervened and spoke to Mrs H several times regarding the payments that were being made. However when questioned Mrs H did not give accurate information. Rather, she told agents that she was the one making the payments and she wanted to invest in Bitcoin and had found out about the investment herself, which we know was not the case. Mrs H indicated that the devices logging into her online banking were hers and no one was making her make the payments.

Lloyds has not provided the call recordings but it provided transcripts of the conversations with Mrs H. Having reviewed the transcripts I do not find its intervention was sufficient. Considering what Mrs H told agents about the payments I think Lloyds ought reasonably to have given a more robust warning highlighting the risk and features of an investment scam. However I do not think such a warning would have resonated with Mrs H as it was not an investment scam she was involved in, rather she thought she was helping a friend or partner. Additionally I think Mrs H's answers showed she did not entirely understand the investment she claimed to be making. As such, I think Lloyds ought to have been concerned and probed Mrs H further.

While I find Lloyds could have done more to protect Mrs H, I must also consider whether it would have been able to prevent the loss had it intervened as I think it ought to have done. I am not persuaded it could. I say this because I find Mrs H was under the spell of the scammer and believing they were in a romantic relationship, she had come to trust them. So much so that Mrs H willingly shared her banking details, provided them with her passport information and allowed them free access to her funds. Mrs H told us she was coached by the scammer during the bank's intervention and had actively sought their guidance in order to answer the questions she was being asked. It follows that had the bank intervened further, on balance I think it is likely that Mrs H would have continued to follow the scammer's guidance and mislead Lloyds. When Lloyds is provided with misleading or inaccurate information, it limits its ability to uncover a potential scam. Furthermore it can prevent it from providing relevant warnings that may resonate and potentially break the scammer's spell.

Furthermore, Mrs H reported the scam to Lloyds as well as to the police, and despite becoming aware of the losses she had already incurred and that it had been a scam, she later resumed making payments by way of a second cryptocurrency platform. I recognise that Mrs H was heavily influenced and manipulated by the scammer and I am by no means blaming her for what happened. But in light of all this, I can't fairly or reasonably expect Lloyds to have prevented the loss Mrs H incurred even if it were to have intervened further.

Lloyds thought it could have done more to educate Mrs H about scams when she first reported the matter in May 2024, as such it reimbursed 50% of the payments she made

subsequently which is more than I would have asked it to do in the circumstances for the reasons I've set out above.

Unfortunately the payments were made to legitimate merchants who provided a service, and while the funds were made to accounts held with the merchants, they were ultimately lost to the scammer, so I'm not persuaded there were any real prospects of recovering the loss.

I have thought carefully about all that's happened, I know Mrs H has suffered a significant loss and the impact on her has been considerable, but I could only uphold this complaint and hold Lloyds liable, if I thought that any failings on its part made a material difference and I'm not persuaded that's the case here.

### **My final decision**

For the reasons given, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 5 January 2026.

Oluwatobi Balogun  
**Ombudsman**