

## The complaint

Miss H is unhappy that Lloyds Bank PLC won't reimburse money she lost to a scam.

The details of this complaint are well known to both parties, so I won't repeat everything here. In summary, Miss H has advised she made payments from her Lloyds account between 16 and 18 April 2025 which she ultimately lost to an investment recovery scam. Miss H advised she lost a total of £2,210 as a result of the scam.

## 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'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I have not mentioned, it isn't because I have ignored it. I haven't. I'm satisfied that I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I agree with the conclusions reached by the Investigator for the following reasons:

- I've thought about the Contingent Reimbursement Model Code (CRM Code) which can offer a potential means of obtaining a refund following scams like this one. But the CRM Code doesn't apply to payments which were made to another account held by the customer, which was the case here. A mandatory reimbursement scheme was also introduced more recently by the Payment Systems Regulator which came into force in October 2024, however this scheme also doesn't cover payments sent to an account held by the customer. I've therefore considered whether Lloyds should reimburse Miss H under any of its other obligations.
- It isn't in dispute that Miss H authorised transactions from her Lloyds account. The payments were requested using her legitimate security credentials provided by Lloyds, and the starting position is that banks ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.
- However, I've considered whether Lloyds should have done more to prevent Miss H from falling victim to the scam, as there are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly out of character.
- I've reviewed Miss H's account statements, and I can't conclude that the payments made to the scam would have looked particularly unusual or suspicious to Lloyds. I appreciate that the payments may have represented a lot of money to Miss H, but they were not of a value where I'd usually expect Lloyds to be concerned that Miss H was at a heightened risk of financial harm. The payments were made across a

number of days rather than in quick succession, they didn't increase significantly in value, so they wouldn't have stood out as particularly concerning. Although Miss H went into her overdraft, as the payments weren't very large it wouldn't have indicated to Lloyds that a scam was unfolding.

- The payments were made to a legitimate cryptocurrency provider. And while there are known fraud risks associated with cryptocurrency, as scams like this have unfortunately become more prevalent, not all payments related to cryptocurrency are scam related. This means that I wouldn't expect Lloyds to intervene on a payment just because it related to cryptocurrency.
- So, while Lloyds should be looking out for signs that its customers might be at risk of financial harm from fraud, I'm not persuaded the value or frequency of the payments were so unusual or suspicious for Lloyds to have suspected Miss H was at risk of financial harm - thereby prompting it to intervene before processing them.
- I understand that Miss H was experiencing some financial difficulties as a result of the scam. I'm sorry to learn about this, but I can't say that Lloyds was or should have been aware that she was vulnerable or made any special adjustments for her at the time the transactions were made.
- I have also considered whether Lloyds could have done anything to recover Miss H's payments once the scam was uncovered. However, the funds were converted into cryptocurrency and paid to the scammer. Therefore, I don't think there was any realistic possibility of recovery.

I appreciate this will likely come as a disappointment to Miss H, however, in the circumstances, I do not consider it would be fair and reasonable to ask Lloyds to do anything further.

### **My final decision**

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 2 March 2026.

Aleya Khanom  
**Ombudsman**