

## The complaint and what happened

Mr I complains that Lloyds Bank PLC didn't refund the majority of funds he lost when he fell victim to a scam in May 2025. He made four card payments totalling around £1,500 to what he believed was a genuine employment opportunity. He was told he needed to send his own money to complete "tasks" that would generate commission and be returned to him at the end of the process. This turned out to be a scam.

Lloyds refunded half of the fourth payment (£501.50), acknowledging it could have intervened more effectively at that point. Mr I didn't think this was enough, so he brought the matter to our service.

Our investigator didn't uphold the complaint. They weren't persuaded that the payments ought to have raised concerns for Lloyds at the time. They concluded that Lloyds had already exceeded what they would usually recommend by refunding part of the final payment.

Mr I asked for the matter to be referred for a final decision. He says he acted cautiously, the scam involved complex social engineering, and that Lloyds should have protected him in line with the Authorised Push Payment (APP) rules and its duty to treat customers fairly.

## 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've reached the same conclusion as our investigator for these reasons:

- There are rules that require firms to refund scam victims in certain situations. But there isn't a general obligation for firms like Lloyds to reimburse customers for all losses. Mr I pointed to the Authorised Push Payment (APP) rules introduced in 2024. However, card payments aren't push payments – the funds are *pulled* from the account by the merchant. So these transactions don't fall within the scope of the new APP rules.
- That means the starting position, under the Payment Services Regulations 2017, is that although Mr I was deceived, he remains responsible for these authorised card payments.
- This isn't the end of the matter. Lloyds is aware – taking into account longstanding regulatory expectations, legal duties, and what I consider industry good practice at the time – that it should have been alert to the possibility of fraud and should have made additional checks before processing payments in certain circumstances.
- Having reviewed the payments, I've noted that although the loss was significant for Mr I personally, the individual values of the payments – and the total taken together – weren't particularly large when compared to the volume of similar transactions processed daily by a bank like Lloyds. It wouldn't be practical or proportionate for the

bank to stop or challenge every payment of this nature.

- Taken with the amounts, I also don't find the frequency of the payments or their destination to a money remittance service to have looked particularly alarming. So I agree with the investigator that I wouldn't have expected Lloyds to intervene. The bank must strike a balance between protecting customers from fraud and its legal duty to process payments when instructed.
- Even if I were to take a different view, and conclude that Lloyds should have stepped in by the fourth payment, I still consider that the partial refund it has already provided would be sufficient to put things right. This is because, even if the bank made an error, I would also need to assess whether Mr I should fairly bear some responsibility for what happened.
- I accept that the employment opportunity initially appeared plausible. However, I've noted that the money-remittance service paused the final transfer, and at this point Mr I appears to have been coached by the fraudsters on how to mislead the firm. I think this should reasonably have prompted him to question why a legitimate employer would require him to provide misleading information. For that reason, I consider the deduction for contributory negligence to be fair.
- I appreciate this will be disappointing for Mr I, who was the victim of a sophisticated and persuasive scam. But for the reasons I've explained, I don't think I can fairly require Lloyds to refund any more of his losses.

### **My final decision**

For the reasons I've explained, I don't uphold Mr I's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 17 March 2026.

Emma Szkolar  
**Ombudsman**