

The complaint

Mr G complains that Lloyds Bank PLC (Lloyds) is refusing to refund him the amount he lost as the result of a scam.

Mr G is being represented by a third party. To keep things simple, I will refer to Mr G throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr G has told us that he found an advertisement on social media for a trading platform I will call "X" that offered substantial returns on investment. The platform appeared to be endorsed by a well-known celebrity.

Mr G made an enquiry with X and received a phone call from an account manager. X was extremely knowledgeable and persuasive explaining to Mr G that UK banks made money on funds deposited by their customers by using them to trade and invest. X convinced Mr G that his funds would be better invested with it.

Mr G says he carried out his own online research on X and as he didn't find anything to cause him concern he decided to invest. As part of the investment process X persuaded Mr G to open an account with another provider as it said traditional banks like Lloyds would not permit transfers to trading accounts.

Mr G says he was also required to download remote access software so it could help Mr G manage his investment and he was told to leave his device switched on when he was at work so it could trade on his behalf.

Mr G made multiple payments into the scam and was encouraged by X to take out a loan with Lloyds giving an incorrect reason for the loan purpose (home improvement and furniture purchase) to finance further investment.

Towards the end of the scam Mr G received another call from another representative of X stating Mr G would need to make an immediate payment of £5,000 to secure his investment.

Concerned he would lose his funds Mr G tried to fund the investment and eventually asked his boss for help. At this stage Mr G's boss explained that it sounded like Mr G had fallen victim to a scam and the scam was uncovered.

Mr G has disputed the following payments made from his Lloyds account in relation to the scam.

Payment	Date	Payee	Payment Method	Amount
1	11 February 2025	Mr G	Transfer	£25,000.00
2	12 February 2025	Mr G	Transfer	£10,000.00

3	20 February 2025	Mr G	Transfer	£21,000.00
4	21 February 2025	Mr G	Transfer	£3,000.00
5	28 February 2025	Mr G	Transfer	£10,000.00

Our Investigator considered Mr G's complaint and didn't think it should be upheld. Mr G disagreed, so this complaint has been passed to me to decide.

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.

It has not been disputed that Mr G has fallen victim to a cruel scam. The evidence provided by both Mr G and Lloyds sets out what happened. What is in dispute is whether Lloyds should refund the money Mr G lost due to the scam.

Recovering the payments Mr G made

The payments Mr G made in relation to the scam were made to another account in his name and it took further steps for those funds to end up in the hands of the scammer. If any funds did remain in the recipient account, they would remain in Mr G's control and not require recovery.

In any event Mr G has confirmed that the funds were moved on from his other account to the scammer. So, I don't think Lloyds had any reasonable options available to it to seek recovery of the payments Mr G made from his Lloyds account.

Should Lloyds have reasonably prevented the payments Mr G made?

I think it's most likely that Mr G authorised the payments that were made from his account with Lloyds, albeit on X's instruction. So, the starting point here is that Mr G is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Lloyds should have been aware of the scam and intervened when the payments were being made. And if it had intervened, would it have been able to prevent the scam taking place.

The first payment Mr G made in relation to the scam was to an account in his own name. Payments to other accounts in the same customer's name are generally considered to carry a lower risk as the customer remains in control of the funds when they leave their account. However, considering the value of the payment I think Lloyds should have had concerns that Mr G could have been at risk of financial harm and it should have intervened.

I think that a proportionate intervention would have been for Lloyds to have discussed the payment with Mr G with a view of finding out the background leading to the payment and providing a suitable warning.

I can see that Lloyds did intervene when Mr G attempted the payments.

When Mr G made payment 1 he gave the payment reason of "move my money" and was presented with a screen that warned him Lloyds would never call him to tell him to move his money to another account. Mr G continued to make the payment.

When Mr G made payment 2 he was presented with a warning screen that stated:

“Are you sure you know where your money is going? Check the payment with someone you know and trust. Make sure you don’t fall for a scam. If you do, we may not be able to get your money back. Find out how people can try to scam you [here](#).”

Mr G continued to make the payment.

When Mr G made payment 3 Lloyds intervened and a call between Lloyds and Mr G took place.

Mr G explained he was trying to move money to his other account with another provider. Mr G was questioned about the reason he applied for a loan of £23,000 and he explained he was looking to get another vehicle and wanted to send the funds to his other account first as it had better fees.

Mr G was warned that there had been an increase in fraud where customer’s received calls asking them to download software on their device or were asked for certain codes in relation to online banking. They were also asked to move money to an account they have access to.

Mr G said that “*nobody at all*” had contacted him.

Mr G was then sent a link to some fraud and scam information while he was on the phone with Lloyds and was encouraged to read through the information. Mr G would then need to attend a branch with some identification documents to discuss the payment in more detail.

The following day Mr G attended a Lloyds branch to discuss the payment. Mr G’s Identification documents were checked, and a call took place while in the branch with the fraud team.

Mr G explained:

- He was making the transfer to his account with another provider.
- He was using the other account to buy furniture from Turkey, and it was cheaper to make the payments through the other account.
- He had not been recommended the other account by anyone and had carried out research himself.
- He had used his laptop rather than his usual device (his phone) to make the payment, as he was at home at the time and it was easier.
- He had applied for a loan for the purpose of buying the furniture.
- He had a friend who had purchased furniture in the same way.

Lloyds explained that there had been an increase in scams and any unusual activity could trigger its system prompting it to intervene.

Lloyds warned that one of the main scams it sees its customers falling victim to is releasing to cryptocurrency and asked Mr G if he had ever done that before.

Mr G said he hadn’t, and he didn’t know anything about it, and he never got into anything he was unsure about.

Mr G was further warned to be aware as the scammers were mainly contacting people through social media and can entice customers by offering good returns or even offering a job that returned commission. They were all scams and Mr G should avoid them.

Before proceeding Mr G was required to give information of the places he was buying furniture from, and he provided a website of a Turkish retailer confirming he had friends that had used the same website.

When Mr G attempted payment 5 he saw the same warning as he did when he attempted payment 2 and again decided to make the payment.

I think Lloyds should have intervened further than it did earlier in the scam but having considered the calls that took place and the visit Mr G had with the branch it's clear that he was willing to give incorrect information, and a completely different story to Lloyds to have the payments processed.

Mr G gave two different stories, one being he was buying a new car and the other that he was purchasing furniture. Mr G even went as far as providing a retailer's website as an example of where he would be buying the furniture from.

Even though Mr G gave incorrect backgrounds for the reasons he was making the payments he also received warnings about finding investments through social media and downloading remote access software, which both applied to him and yet he continued with the payments.

Mr G has said that as he gave two different reasons for the payments being made, one being to buy a car, and another to buy furniture, that Lloyds should have been aware of the scam and intervened further, and this would have led to the scam being uncovered.

But overall, I think it's clear that Mr G trusted X to the extent that he was willing to provide false information to Lloyds to have loans approved and to make large payments despite warnings being provided to him that should have been red flags causing him to have concerns about the payments he was making.

I don't have enough to say that further interventions or warnings carried out by Lloyds would likely have deterred Mr G from making the payments or prevented his loss. So, Lloyds is not responsible for Mr G's loss, and it would not be reasonable for me to say it should provide a refund to him.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 21 January 2026.

Terry Woodham
Ombudsman