

## **The complaint**

Mr C complains that Lloyds Bank PLC won't refund money he lost when he says he was the victim of a cryptocurrency investment scam.

## **What happened**

The background to this complaint is well known to both parties, so I won't repeat it all in detail here, but in summary I understand it to be as follows.

Mr C says he saw an advert on social media about a cryptocurrency investment opportunity with a company I'll refer to as Y. Mr C carried out some checks of Y online before deciding to invest. He also found that they were celebrity endorsed. Mr C was given access to a sophisticated and professional portal that appeared to show real time returns and stock tickers tracking real market movements. Mr C says the scammers were in regular contact with him, they showed a deep and professional knowledge about investments and that he would receive a 5% monthly return on his investment.

Mr C made a series of payments between August and December 2022 totalling around £54,000. The payments were made for the purchase of cryptocurrency before they were moved on to and lost to Y. Mr C said he realised he'd fallen victim to a scam when Y's website stopped working, communication ceased and he was unable to withdraw his money.

Through Mr C's professional representative, a claim and complaint were raised with Lloyds which weren't upheld. Mr C then referred his complaint to this service. Our investigator didn't uphold his complaint either. She said Mr C had failed to provide sufficient evidence to show that he'd suffered a loss in relation to a scam operated by Y.

Mr C disagreed. He said that although he no longer has evidence of his interactions with the scammers he has been able to provide his cryptocurrency statements showing the cryptocurrency purchased was sent out of his account. He says he has also provided evidence of a balance he held on his account with Y. Mr C also explained that he considered an effective intervention from Lloyds would have uncovered the scam.

Our investigator explained that the evidence provided does not show a link that the payments made were lost to Y. As an agreement couldn't be reached, the case has since 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.

In deciding what's fair and reasonable, I'm required to take into account relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

It isn't in dispute that Mr C authorised the transactions in question. He is therefore presumed liable for the loss in the first instance. However, Lloyds is aware, taking longstanding regulatory expectations and requirements into account, and what I consider to be good industry practice at the time, that it should have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

Mr C says he made these payments due to being involved in a scam investment with Y. However, he's not been able to evidence to this service that these funds were lost to this scam. Mr C has evidenced that he held an account with Y and that this account was in his name and what appears to be an account balance. But he hasn't been able to show us that the specific payments complained about here are what funded this scam investment. Mr C has been able to provide his cryptocurrency account statement which shows the deposits made, the cryptocurrency assets purchased and subsequently withdrawn from his account. But what he has shown doesn't evidence the money he sent from his Lloyds account was used by him to invest in Y. I would also point out that the cryptocurrency account statements Mr C has provided also show a greater value of cryptocurrency purchases than were otherwise withdrawn. And in the submissions provided by Mr C and his professional representative, there is a difference between what Mr C considers was lost to the scam and the transactions complained about here. That's where the missing evidence becomes vital and in its absence I couldn't recommend any refund.

For the sake of completeness, I do note that Mr C has argued that an effective intervention from Lloyds would have uncovered the scam. But even if I were to consider this argument made, I wouldn't necessarily be reaching a different overall outcome here. It remains that Mr C is unable to provide evidence of his interactions with the scammers, so I couldn't fairly and reasonably conclude how he might otherwise have responded to an intervention/warning. Especially when Mr C's submissions highlight the due diligence he carried out and that there were no regulatory warnings about Y at the time.

Ultimately, while accept Mr C was involved with Y, he hasn't provided evidence that the payments complained about now did go to this scam. Therefore, I couldn't fairly and reasonably conclude that Lloyds ought to provide a refund as Mr C hasn't evidenced that he has actually suffered a financial loss from these specific payments as the result of a scam.

Lastly, I also don't consider Lloyds needed to do anything to try and recover Mr C's funds once he reported the scam. Mr C has evidenced that he received the cryptocurrency he paid for, so Lloyds wouldn't have been able to recover these funds.

### **My final decision**

For the reasons set out above, I don't uphold Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 13 March 2026.

Mark O'Connor  
**Ombudsman**