

## The complaint

Mr S, initially via a representative, has complained that Lloyds Bank PLC (UK) Plc (“Lloyds”) failed to refund the money he lost as part of an investment scam.

## What happened

The details of this complaint are well known to both parties, so I will not repeat everything again here. Instead, I will focus on giving the reasons for my decision.

In summary though, Mr S was the victim of a series of scams. These included an initial investment scam and at least one recovery scam.

Mr S made around 15 payments to the scammers from his Lloyds account. These were made by transfers and card payments to accounts he held with other current account providers. The transactions took place between July 2024 and November 2024 and totalled over £70,000.

Mr S realised he had been scammed when ultimately, for each scam in turn, he was unable to either withdraw his profits or recover the funds that he had lost. Mr S asked Lloyds to refund these payments, as he believes Lloyds should have done more to prevent him from being scammed in the first place. Lloyds did not agree with this.

I issued a provisional decision in which I said the following;

*“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 am required to take into account relevant law and regulations, regulators’ rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.*

*Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, on what I consider is more likely to have (or would have) happened, in light of the available evidence and the wider circumstances.*

*In this decision, I’ll concentrate my comments on what I think is relevant. If I don’t comment on a specific point, it’s not because I’ve failed to consider it, but because I don’t think I need to comment in order to reach a fair and reasonable outcome. Our rules allow me to do this and this reflects the nature of our service as a free and informal alternative to the courts.*

*In broad terms, the starting position is that Lloyds is expected to process payments and withdrawals that a customer authorises it to make. This should be in accordance with the Payment Services Regulations and the terms and conditions of the customer’s account.*

However, taking into account relevant law, regulatory rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that Lloyds should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice Lloyds sometimes does); and
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

In this instance I am satisfied, albeit on balance, that Mr S was scammed, though the details about the first scam are not entirely clear. That said, I don't think that the entire extent of the loss has been demonstrated. But I don't need to make a finding on this as I currently don't think that this complaint should be upheld.

I say this because both Lloyds and Mr S's other account providers did intervene on a number of occasions and there were a series of calls, online chats and warnings provided to Mr S. Mr S did not heed any of the warnings provided even when these warnings included many features of the scams that Mr S was actually falling for. These included a warning about downloading remote access software; that guaranteed profits are a sign of a scam; that legitimate investments are not arranged on group chats; that scammers use fake trading platforms; and that scammers ask you to send money from crypto wallets to new wallet addresses as part of the scam.

These warnings did not resonate with Mr S either at the time or later in the scams.

I also can see that Mr S was being guided by the scammers to give answers to any interventions that were designed to obfuscate what the payments related to. I can see that Mr S even went so far as to ask the scammer what to say, when questions were asked by his account providers. Some examples of him providing misleading answers were: that he said he was sending funds to other account providers to obtain better exchange rates for holidays; he was doing home renovations; and that he needed to transfer funds as his daughter was getting married.

*In relation to Lloyds, its interventions seem to have been centred around the start of the scams and I think that Lloyds should probably have intervened again later when a large payment was made of £13,000. But given the above and that Lloyds was only required to take proportionate steps to try and protect Mr S from financial harm, I'm not persuaded he would've shared anything concerning with Lloyds, had it questioned him more about what he was doing.*

*So overall, I think that Lloyds should possibly have intervened more than it did. But I do not think that this would have likely stopped or uncovered the scam or allowed Lloyds to provide a relevant warning that would have resonated with him.*

*I also think that, had Lloyds stopped the payments entirely, Mr S would have likely sent the payments via other accounts or means. This is demonstrated by him asking the scammer what to do when payments were blocked.*

*I've also thought about whether Lloyds could have done more to recover the funds after Mr S reported the fraud.*

*Lloyds are under no obligation to refund the money under any of the reimbursement schemes as the funds were sent to accounts in Mr S's own name and it is clear from the scam chats that he had control of these accounts. So I don't think that the funds could have been recovered by other means.*

*I note that Mr S is vulnerable for a variety of reasons, But I can't see that Lloyds was aware of this prior to the scams. So I can't say that Lloyds has acted unfairly for not adjusting how it communicated with Mr S, when it was not aware it may need to do so.*

*I appreciate this will likely come as a great disappointment to Mr S, and I'm sorry to hear he has been the victim of a number of scams. However, whilst I have a great deal of sympathy for the situation that Mr S found himself in, I'm currently not persuaded that Lloyds can fairly or reasonably be held liable for his loss in these circumstances."*

Neither party responded to my provisional decision with any new information.

### **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 reviewed everything, as neither party has provided any new information, I see no reason to reach a different outcome to the one I reached in my provisional decision.

So, in summary, I think that Lloyds should have intervened more that it did but for the reasons set out above I don't think that this would have stopped the scam.

So it follows that I do not uphold this complaint

### **My final decision**

For the reasons given above and in my provisional decision, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 11 March 2026.

Charlie Newton  
**Ombudsman**