

The complaint

Mr S complains that Lloyds Bank PLC has refused to refund him the money he lost through an investment scam.

What happened

Mr S explained that he was the victim of several scams where he made multiple debit card payments from his Lloyds account to different cryptocurrency platforms. He said he saw online advertisements for investment opportunities and registered his interest. He was then contacted and joined groups on a messaging app which encouraged him to make cryptocurrency investments. When he tried to withdraw his money, he wasn't able to do so and was asked to invest further. At this point he realised he had been the victim of a scam.

Lloyds issued a final response to Mr S's complaint dated 10 December 2025. It explained that the payments Mr S had made weren't covered by the Payment Services Regulator (PSR) mandatory reimbursement rules because the money Mr S paid from his Lloyds account went to accounts in his own name. The money was then forwarded from Mr S's cryptocurrency accounts to the scammer. Lloyds further said that it couldn't raise a chargeback for the payments as although the payments were made by debit card, the service they paid for – being the exchange of sterling to cryptocurrency - had been provided.

Lloyds noted the payments Mr S had made and that these were to four different cryptocurrency platforms and totalled £3,478.10. It said that after reviewing most of the payments there was nothing at the time that would have prompted it to intervene. However, it said that on 14 June 2025, Mr S attempted a large and unusual payment, and this was stopped and Mr S was asked to contact it to provide more details. On the contact call, concerns were raised and Mr S was asked to visit a branch to discuss the payment further. Mr S visited the branch and assured the staff that he had watched Lloyds' scam awareness videos and answered further questions and his accounts were unblocked. This large payment didn't proceed.

Lloyds didn't find that it had made any errors regarding Mr S's payments and so it didn't uphold his complaint.

Mr S referred his complaint to this service.

Our investigator considered the payments Mr S had made but wasn't persuaded that these should have been identified as carrying a heightened risk of financial harm from fraud. This was because there were no high value payments and Mr S made several payments to accounts in his own name. She noted that as the payments Mr S made were to accounts in his own name he would have been able to reclaim these funds up to the point they left those accounts and she accepted that a chargeback would have been unlikely to succeed.

Mr S didn't accept our investigator's view. As a resolution hasn't been agreed, this complaint has been passed to me, an ombudsman, to issue a decision.

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.

Mr S made 30 debit card payments from his Lloyds account to four different cryptocurrency platforms between June and August 2025. The payments totalled £3,478.10 and the details of the payments are set out below.

No.	Date	Payee	Amount
1	02/06/2025	Cryptocurrency platform 1	£22.26
2	02/06/2025	Cryptocurrency platform 1	£248.53
3	09/06/2025	Cryptocurrency platform 2	£200.00
4	10/06/2025	Cryptocurrency platform 3	£107.38
5	11/06/2025	Cryptocurrency platform 1	£22.27
6	16/06/2025	Cryptocurrency platform 3	£14.79
7	16/06/2025	Cryptocurrency platform 3	£739.70
8	16/06/2025	Cryptocurrency platform 3	£37.00
9	17/06/2025	Cryptocurrency platform 3	£18.50
10	20/06/2025	Cryptocurrency platform 1	£78.38
11	23/06/2025	Cryptocurrency platform 3	£20.18
12	23/06/2025	Cryptocurrency platform 3	£25.41
13	23/06/2025	Cryptocurrency platform 3	£29.79
14	23/06/2025	Cryptocurrency platform 3	£40.96
15	23/06/2025	Cryptocurrency platform 3	£390.94
16	23/06/2025	Cryptocurrency platform 3	£148.93
17	24/06/2025	Cryptocurrency platform 4	£145.00
18	01/07/2025	Cryptocurrency platform 3	£76.76
19	07/07/2025	Cryptocurrency platform 3	£77.03
20	07/07/2025	Cryptocurrency platform 3	£38.88
21	16/07/2025	Cryptocurrency platform 3	£56.63
22	17/07/2025	Cryptocurrency platform 3	£190.64
23	21/07/2025	Cryptocurrency platform 3	£48.61
24	01/08/2025	Cryptocurrency platform 3	£80.16
25	04/08/2025	Cryptocurrency platform 3	£80.41
26	05/08/2025	Cryptocurrency platform 3	£38.06
27	11/08/2025	Cryptocurrency platform 3	£75.00
28	19/08/2025	Cryptocurrency platform 3	£16.27
29	20/08/2025	Cryptocurrency platform 3	£22.22
30	21/08/2025	Cryptocurrency platform 3	£387.41

I am sorry to hear of the experience Mr S had, and I accept that he has been a victim of a scam and lost money through this. However, for me to uphold this complaint I would need to be satisfied that Lloyds should have done something differently, such as intervening in the payments, and that had this happened then Mr S would have stopped making further payments. When considering a complaint, I take all relevant rules, regulations and guidance into account, but my decision is based on what I consider fair and reasonable given the

evidence I have seen, and the wider circumstances at the time.

Mr S authorised the payments from his Lloyds account. Under the Payment Service Regulations 2017, the starting point is that Mr S is liable for the payments he authorised. However, Lloyds should have systems in place to look out for out of character or unusual transactions, or other signs that might indicate that its customers are at risk of fraud. As Lloyds has explained these payments aren't covered by the PSR reimbursement rules as the payments Mr S made were to accounts in his own name.

I have looked through Mr S's Lloyds account statements which he has provided for the months of May through to August 2025. These show the disputed transactions and other payments into and out of the account. Considering the size of the payments Mr S was making to the cryptocurrency platforms, I do not think these were out of character compared to his other transactions and I wouldn't have expected the value of the payments to have triggered concerns about out of character spending or that Mr S was at risk of financial harm from fraud. That said I note that Lloyds has explained that Mr S did attempt a much larger transaction on 14 June 2025 and this was blocked and further questions asked.

I have looked through the call transcript from 14 June 2025 and can see that Mr S was trying to make a payment of £3,440 and he was asked about this. Mr S said he wanted to pay into his app and would then use this to buy cryptocurrency. Mr S was asked about the research he had done into the business he was paying and while he said he had been able to make a withdrawal this was challenged by the Lloyds staff member. Mr S was unhappy that his payment wasn't being processed and clearly wanted this to happen but due to concerns by the Lloyds staff member, Mr S was referred to a branch. I find this a reasonable intervention and should have alerted Mr S to the bank's concerns and made him question his payment.

Mr S visited a branch and the block on his account was lifted after further questions and Mr S providing further assurances on a call with the fraud team. While the large payment didn't go ahead, Mr S did make a payment of £739.70 on 16 June – the largest payment he made. I note this was referred to in the branch call and Mr S confirmed this and another payment. Given the intervention challenged Mr S about this payment, required him to watch scam information videos and raised concerns about the payment he was making, I think that Lloyds took reasonable steps to alert Mr S to the risks of scams and gave him enough information to have challenged his payments. Mr S continued to make payments and I do not think that further questions would have changed this.

As well as the size of the payments being made, I have also considered the timing. Mr S made 30 payments within three months, and while he did on occasion make more than one payment in a day, I do not think the pattern showed signs that he was being pressured into the payments or other issues that should have alerted Lloyds that he might be at risk of financial harm. Aside from the payments made on 16 June which Lloyds discussed with Mr S, he only made more than two payments in a day on one other occasion – 23 June 2025. On this day Mr S made six payments. However the total value of these was still only around £656 and so I do not find this was enough to mean further intervention was required, especially considering the intervention earlier that month and noting Mr S now had account history of making payments to the cryptocurrency platform.

Regarding the recovery of Mr S's lost money, I agree that a chargeback would have been unlikely to succeed.

So, while I am sorry that Mr S has lost money through being a victim of a scam, in this case, I do not think that Lloyds did anything wrong, or should have taken more action than it did, and so I do not find it is required to refund the money he lost. I know this will be disappointing for Mr S, but I do not find I can uphold his complaint.

My final decision

My final decision is that 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 19 January 2026.

Jane Archer
Ombudsman