

The complaint

Mrs O complains that Lloyds Bank PLC (“Lloyds”) didn’t do enough to protect her when she fell victim to an investment scam.

Mrs O is being represented by solicitors in this complaint.

What happened

Mrs O came across a company, which I’ll call “H”, through an individual she understood was a trusted contact within her community. She understood H was an investment opportunity relating to cryptocurrency. Mrs O says she invested from her Lloyds account at the of 2021 by making payments to what she describes as a concierge – I’ll refer to this company as “X” – who arranged for her funds to be converted into cryptocurrency as required and then deposited into her account with H.

Lloyds received a complaint from Mrs O in mid-2024 via her representative. Mrs O said she felt the bank could have done more to protect her from falling victim to a scam. Lloyds made enquiries of Mrs O to investigate the matter. It didn’t hear back initially, and later not all the information it asked for was supplied. The bank issued a final response saying it was unable to investigate her scam claim without the supporting information it had requested.

Mrs O brought her complaint to our Service, but our Investigator didn’t uphold it. They said Mrs O hadn’t evidenced that she’d invested in H. They explained that while payments went to X, it hadn’t been demonstrated that the funds were intended for H. Mrs O responded to the Investigator’s assessment with some further information, but this didn’t change their view – the Investigator said Mrs O hadn’t evidenced that the payments in dispute had ultimately been sent to H. Mrs O asked for an Ombudsman to reconsider the complaint.

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 broad terms, the starting position at law is that a bank such as Lloyds is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer’s account.

Here it’s not in dispute that the payments were authorised, so the starting position is that Lloyds isn’t liable. That said, Lloyds was a signatory to the Lending Standards Board’s Contingent Reimbursement Model (“CRM) Code (‘the CRM Code’) at the time the payments were made. Under that Code, firms are expected to reimburse customers who fall victim to authorised push payment scams, subject to some exceptions. However, the CRM Code is only relevant if I’m persuaded Mrs O did fall victim to a scam.

Mrs O says she made these payments due to being involved in a scam investment with H. However, she’s been unable to evidence to our Service that these funds were lost to this

scam. I've not seen evidence that Mrs O held an account with H and made some deposits to it via X. While I can see that payments went to X, there isn't any evidence that shows that the specific payments complained about are what funded this scam investment with H. For all we know, payments could have been made to X for a different investment scheme. I accept it's possible that Mrs O was involved in the scam H ran. But she hasn't provided evidence that the payments complained about did go to this scam. As such, I can't fairly ask Lloyds to consider reimbursing her under the provisions of the CRM Code.

Outside the provisions of the CRM Code, there are some situations where we believe that businesses, taking into account relevant rules, codes and best practice standards, shouldn't have taken their customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Much for the same reasons that I've given above regarding the lack of evidence, I can't fairly say that Lloyds needed to do anything differently in this regard. Mrs O hasn't evidenced that there was a risk of financial harm associated with her making the payments to the extent that Lloyds ought to have taken steps to prevent them from being made.

I'm really sorry to disappoint Mrs O, as I know the amount she seeks to recover isn't insignificant. But, for the reasons given above, I'm not satisfied that I can fairly ask Lloyds to reimburse her.

My final decision

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 2 January 2026.

Gagandeep Singh
Ombudsman