

The complaint

Ms P complains that Lloyds Bank PLC won't refund her the money she says she lost in an investment scam.

Ms P is being represented by a professional representative, but for ease of reading I'll just refer to Ms P.

What happened

The circumstances surrounding this complaint are well known to both parties, so I won't repeat them here. Instead, I've summarised what I consider to be the key points.

Ms P says she received an unsolicited and unexpected message through social media, which was purportedly from a friend of a friend Ms P had known at university. She says her friend's friend messaged her about investing in a 'leveraged hedging funds investment via a cryptocurrency'. Ms P says she checked online reviews, the investment company's website and read articles which she now suspects were fake and planted by scammers. Ultimately, she decided to invest.

She says she invested and sent money to a wallet which she thought was an investment account that had been set up for her, which looked professional, but which turned out to be a fake account and a wallet controlled by scammers. She sent the money from her Lloyds account to a cryptocurrency account and then on from there to the investment account. She says she was shown how to withdraw money and this worked initially, but later on any attempts to withdraw money were unsuccessful.

Ms P says she made the following payments from her account with Lloyds as part of this scam:

Payment	Date	Amount	Payment type	Destination
1	18/12/2021	£808.03	Carp payment	Own cryptocurrency account C
2	20/12/2021	£76.80	Card payment	Own cryptocurrency account C
3	20/12/2021	£6,963.27	Card payment	Own cryptocurrency account C
4	22/12/2021	£1,509.59	Card payment	Own cryptocurrency account C
5	02/01/2022	£6,730.96	Card payment	Own cryptocurrency account C
6	07/01/2022	£2,115.79	Card payment	Own cryptocurrency account C
7	10/01/2022	£5,532.18	Card payment	Own cryptocurrency account C
8	11/01/2022	£6,921.85	Card payment	Own cryptocurrency account C
9	18/01/2022	£2,482.34	Card payment	Own cryptocurrency account C
10	19/01/2022	£4,909.17	Card payment	Own cryptocurrency account K
11	19/01/2022	£2,674.54	Card payment	Own cryptocurrency account C
12	20/01/2022	£50.00	Faster payment	Own cryptocurrency account B
13	20/01/2022	£25.00	Card payment	Own cryptocurrency account B
14	20/01/2022	£150.00	Faster payment	Digital wallet S
15	20/01/2022	£2,553.31	Card payment	Own cryptocurrency account C
16	20/01/2022	£16.68	Card payment	Own cryptocurrency account K
17	20/01/2022	£25.00	Faster payment	Digital wallet S

18	20/01/2022	£83.42	Card payment	Own cryptocurrency account K
19	21/01/2022	£281.89	Card payment	Own cryptocurrency account K
20	21/01/2022	£1,352.75	Carp payment	Own cryptocurrency account K
21	25/01/2022	£4,542.92	Card payment	Own cryptocurrency account C
22	26/01/2022	£3,343.19	Card payment	Own cryptocurrency account C

Ms P reported the scam to Lloyds in 2025. She says Lloyds should refund her because the payments were unusual for her account and Lloyds should have recognised that and intervened to ask her questions about the payments. She says if it had done so and asked her probing questions, it would have uncovered the scam. Instead, she says while she was contacted about one payment, she wasn't asked detailed questions and just confirmed that she was moving money from one of her accounts to another.

Lloyds says it didn't make any errors and it doesn't consider it is responsible for Ms P's loss. It says the Contingent Reimbursement Model (CRM) Code doesn't apply to the payments because they were made from one of Ms P's accounts to another and she controlled them both. The CRM code doesn't apply to payments made between two accounts controlled by the same consumer. It says it intervened in a payment Ms P attempted on 18 December 2021 and she hadn't answered its questions accurately. It says it gave her warnings at that time.

Ms P's complaint was considered by one of our investigators, but he didn't uphold it. He wasn't persuaded Ms P had provided enough evidence to show she had been the victim of a scam. In particular, the messages she said she exchanged with the scammer were no longer available and there was little evidence to show that her money was moved to an account controlled by a scammer. He didn't think there had been any prospect of Lloyds being able to recover her money, as Ms P had only reported the scam to Lloyds around three and a half years after the last payment.

Ms P doesn't accept the investigator's conclusions and has asked for an ombudsman's decision. She says she has provided all the evidence she has and it isn't her fault that she no longer has access to the messages between her and the scammer, or full evidence from the cryptocurrency exchanges she used. She says she has provided enough evidence to show, on the balance of probabilities, that she has been the victim of a scam.

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 is that a firm is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And in this case, it's accepted by all parties that Ms P authorised the payments and Lloyds made the payments in accordance with Ms P's instructions.

The Contingent Reimbursement Model (CRM) Code doesn't apply in this case because Ms P was making payments to another account that she controlled and it also doesn't apply to debit card payments. The majority of the payments Ms P has complained about were made by debit card and all the payments were to other accounts she controlled.

Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, I think Lloyds ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances. But before considering whether Lloyds ought to have intervened in any of

these payments, I need to be satisfied Ms P has been the victim of a scam and has suffered a loss.

Ms P says she has been the victim of a scam and has lost around £52,000. She has provided her account of what happened and she's provided evidence to show she moved some money into and out of some of her cryptocurrency accounts. She has also provided some copies of messages in which she was asked to pay cryptocurrency into an account before she could release the cryptocurrency she already had invested in that account.

Ms P says that most of her contact with the scammer was on a messaging platform, but she doesn't have copies of the messages anymore due to having changed her phone and she has not been able to retrieve the messages.

I've considered the available evidence carefully. It does seem that Ms P might have been the victim of a scam. The pattern of money being sent to cryptocurrency accounts and then being moved onwards is a common feature of investment scams. So is being asked to pay more money into an investment when trying to withdraw money, perhaps being told the money is needed to pay taxes or fees. The evidence suggests that might have happened here.

But I haven't been provided with much evidence to show Ms P's money was transferred on to a scammer. She has provided evidence showing the first seven payments were converted into cryptocurrency and sent on from one of her cryptocurrency accounts, which I've called Cryptocurrency account C. I don't really have anything to show it was sent on to a scammer, such as messages with the scammer talking about the payments and amounts, or a screenshot from the fake investment account showing corresponding deposits into that account. I haven't seen evidence to show that the remaining payments to C were sent on from that account.

I also don't have any evidence to show the payments to her digital wallet, which I've called S or to her cryptocurrency account I've called B, were sent on to the scammer from either of those accounts.

I have some records of deposits into cryptocurrency account K which *might* correspond with payments 19 and 20 above, although this isn't clear to me, and I have confirmation from K that no funds remain in that account.

The recollections Ms P has provided are not particularly detailed. She says she was contacted by someone who said they knew a friend of hers from university and they were able to give her some details to persuade her they were who they said they were. That doesn't really provide the context in which Ms P agreed to invest with someone who contacted her unexpectedly through social media, with whom she shared a mutual friend some years earlier, especially as she says she wasn't looking to invest. There is very little information about what was said to persuade her to invest, what she was told about returns and risk, how plausible it was, what Ms P was told and whether there were any warning signs this might be a scam, for example.

I do have regard for Ms P's recollections, which are evidence I have taken into account when deciding what's fair and reasonable in all the circumstances of her complaint. But I'm also conscious she is trying to remember what happened over three years ago when she made these payments and she doesn't have the benefit of any of the messages she exchanged with the scammer, just a few messages with the investment platform.

Overall, having considered the evidence, while I am sympathetic to Ms P and I consider Ms P might have been the victim of a scam, I'm not persuaded I have enough evidence about

the circumstances surrounding these payments to uphold her complaint, even if I did consider Lloyds was at fault in some way. I don't consider I have enough evidence about the circumstances in which the scam might have taken place to form a fair view about where responsibility for her loss should lie. I also have insufficient information to satisfy me about how much she might have lost. On balance, in those circumstances I don't consider it would be fair and reasonable for me to hold Lloyds responsible and to require Lloyds to refund her.

My final decision

I don't uphold Ms P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 5 January 2026.

Greg Barham
Ombudsman