

The complaint

Ms G complains Lloyds Bank PLC won't reimburse money she lost when she fell victim to, what appears to be, multiple scams.

What happened

I issued my provisional decision on 6 November 2025 to give both parties an opportunity to comment on the additional details included within, before I reached my final decision. I've included a copy of my provisional findings below:

As all parties are aware of the full background I will only include a summary here. Ms G paid circa £29,000 between January and February 2024, to what she was led to believe was a legitimate investment opportunity - using legitimate cryptocurrency exchanges to then transfer the funds to scammers. Ms G explained she found the initial investment scam on social media, was then given direct advice by a 'broker' and was asked to download screensharing software. It looks like Ms G has fallen victim to multiple scams all stemming from the investment 'opportunity' – although the funds she sent were from a variety of banks and not just Lloyds. Ms G came to the realisation she had been scammed when the scammers started ignoring her and she was unable to withdraw any funds.

Our investigator didn't uphold the complaint, as although he found Lloyds could have taken some additional steps during the telephone interventions, he ultimately considered them to be sufficient based upon the answers Ms G gave in response to its questions. He also considered that as Ms G had not been open and honest in interventions completed by another of her banks, that she would not have provided accurate answers, had Lloyds probed further here.

Ms G's representative asked for the matter to be referred for a decision. It said Lloyds' interventions were not sufficient and during these calls it was clear that Ms G had some vulnerabilities.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No courtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I don't doubt Ms G has been the victim of a scam here; she has lost a large sum of money and has my sympathy for this. However, just because a scam has occurred, it does not mean Ms G is automatically entitled to recompense by Lloyds. It would only be fair for me to tell Lloyds to reimburse Ms G for her loss (or a proportion of it) if: I thought it reasonably ought to have prevented all (or some of) the payments Ms G made, or hindered the recovery

of the payments Ms G made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

On balance of the available evidence, I've decided to not uphold Ms G's complaint. I know this will come as a disappointment to Ms G and so I will explain below why I've reached the decision I have. Ultimately, I agree with the investigator's conclusions for the following reasons:

- It isn't in dispute that Ms G authorised the transactions in question. She 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. It also should 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, enabling it to do so.*
- On 16 January 2024, Ms G attempted to make multiple payments to cryptocurrency exchanges from her Lloyds' account which were prevented. During the discussion with Lloyds that followed, prior to any funds being permitted to be sent, Ms G was questioned on what she was attempting to do. Ms G reassured Lloyds by informing it: she had been investing in cryptocurrency for a few years, had completed her own research, no-one was guiding her and she was aware of the risk of losing her funds. These answers were not entirely accurate of Ms G. Had she been fully open and forthcoming with the full details of what she was doing with those funds Lloyds may well have been able to prevent her losses.*
- I do agree that Lloyds could have taken some additional steps in this initial call – such as probing further or giving Ms G a clear warning about cryptocurrency investment scams. However, I believe it more likely than not that Ms G would have continued alleviating any concerns Lloyds had with her answers. I also am not persuaded that Ms G would have taken notice of any warning. When warned of being scammed by another bank she did not agree and ultimately found another way to make the payments – through opening a further account. I've not seen sufficient persuasive evidence to suggest a different outcome would have occurred had Lloyds taken further action in the call it had with her.*
- As Ms G continued with her payments, Lloyds did speak with her again to question her further. In this call on 19 February Ms G confirmed: she was attempting to purchase cryptocurrency again, no-one had told her to do so, she was completing the transactions on her own and it was her own account. Lloyds also highlighted to Ms G that there were lots of scams involving cryptocurrency and it wanted to ensure she was not falling victim to a scam. Yet, Ms G chose to proceed.*
- Having listened to the conversations Ms G had with another of her banks, I'm persuaded she had learnt what would be asked of her and that she would be prevented from making her payments if she gave conflicting stories as to why she was completing the transfers. She was also aware that banks may well not just block her account, but close it. Therefore, I believe it most likely that this is why Ms G gave the answers she did to Lloyds. She ultimately appears to have been sharing what would most likely appease it, without being forthcoming with the additional details which may well cause Lloyds to be suspicious as to what she was doing. Ms G was*

no doubt convinced with the investment – which is also clear within the calls with her other bank when she challenges them to their action of blocking her transactions.

- *I've not seen any evidence of Ms G being coached on how to respond when interventions occurred – which her representative also confirmed to be accurate. This means the decision to give her other bank cover stories and Lloyds a lack of information was her own decision. Such agile thinking highlights the trust she had in the scammers and what she was doing with her money.*
- *From reviewing the scam chat records Ms G supplied I'm also persuaded she built rapport with the scammers relatively quickly. She shared her cryptocurrency exchange account details so they could help her complete transfers, shared screenshots with them whilst seeking their support and followed their instructions to the best of her ability. I have no doubt Ms G did genuinely believe these scammers were helping her gain more money, and that they exploited her want for this when manipulating her.*
- *Consequently, I am not persuaded any further, or more thorough, interventions would have made any difference.*
- *I am sorry to hear about the vulnerabilities Ms G's representative has outlined she was suffering from when these scams occurred. Due to their sensitive nature I will not draft them all here. I've noted that Ms G's representative believes it should have been readily apparent to Lloyds during the intervention calls that her decision-making capabilities were not as they should have been. Although I do not doubt that Ms G was vulnerable at the time, I do not think Lloyds could reasonably have ascertained her decision-making capabilities were impaired from the answers she gave in response to its questions. Although Ms G was, for example, unable to remember recent transactions I cannot say this, in isolation of any wider red flags should have meant Lloyds should have prevented her payments from being made.*
- *Although Ms G's representative has highlighted some decisions they think are similar, there are key differences. We will always consider each case on its own individual merits.*
- *Following the scam being reported, I do not think there were any reasonable prospects of Lloyds successfully recovering the funds, given the money was used to purchase cryptocurrency from legitimate exchanges. Had Ms G not sent the cryptocurrency to the scammers the funds would still be within her control to access whenever she chose to do so. The Contingent Reimbursement Model (CRM) Code would also not be applicable in this instance due to the payment method used.*

I can only ask Lloyds to reimburse Ms G if I find that any wrongdoing on its part caused her loss. So while I am sorry to hear about Ms G's loss of funds, I cannot reasonably say that Lloyds should be held liable when I am not persuaded it could have prevented it.

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.

Lloyds accepted my provisional decision and made no additional comments. Ms G did not respond. Therefore, I have no reason to depart from my provisional decision and so I do not uphold this complaint.

My final decision

My final decision is I do not uphold this complaint against Lloyds Bank PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 22 December 2025.

Lawrence Keath
Ombudsman