

The complaint

Mr C complains that Lloyds Bank PLC (Lloyds) won't refund a transaction he says he didn't authorise.

What happened

Mr C says that on 25 May 2025, he became aware of a transaction on his account that he did not recognise. On attempting to contact Lloyds to raise concerns without any success, Mr C went into a Lloyds branch on 27 May 2025 to report his concerns and disputed the transaction of £2,240 that had been made to a bitcoin platform – which I'll call X – on 21 May 2025.

Mr C says that he had previously invested in Bitcoin in 2024, and held an account with X, but on realising he had been scammed, he had notified Lloyds, and it had refunded him for his loss.

Mr C says he was asked to download AnyDesk onto his device at that time and says that it was subsequently removed in the summer of this year. He also states he received suspected scam calls but never answered them.

Mr C states he does not believe he clicked on any suspicious links or shared his account details with a third party, prior to the transfer, and wants Lloyds to refund him for the unauthorised transaction. He feels that it should have done more to prevent his loss than it did.

Lloyds investigated but held Mr C liable for the transaction. It said its records showed the payment was made using Open Banking which would have required Mr C to provide his internet banking username, password and memorable information. It said a one-time passcode (OTP) was sent to Mr C's registered phone number to authorise the payment and it could see no indication of compromise by a third party.

Mr C said he did not receive an OTP and that he had not shared his login details with a third party. He said that his mobile device remained in his possession, so Lloyds could find no other explanation for how a fraudster could have accessed Mr C's account and made the payment.

It said the disputed transaction was made using Mr C's registered device, at an IP address that Mr C had used previously when banking online, and it said that Mr C also used the same IP address to log into his account a few days after the disputed transaction occurred.

As Mr C remained unhappy with Lloyds he brought his complaint to this service for consideration.

Our investigator reviewed the evidence which both parties provided and although Mr C maintained that he had not authorised the payment, he determined that Lloyds's evidence

was conclusive in showing that Mr C had authorised the transaction to go to X. and so did not consider it fair to ask them to refund Mr C.

Unhappy with this outcome, Mr C requested for an ombudsman to consider his complaint. He says he received no OTP to authorise the payment and feels that had Lloyds provided a more effective warning prior to him releasing the payment to X he wouldn't have been in the position he is in now.

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 done so, my review of the evidence has led me to the same overall conclusion as the investigator for much the same reasons, in that it's fair and reasonable for Lloyds to hold Mr C liable for the disputed transaction.

I've taken into account Mr C's very detailed and comprehensive submissions about what happened at the time and I'm very aware that I've summarised this complaint in far less detail than it may merit. Instead, I've focussed on what I think are the key issues here. The investigator's view set out the full facts, the transaction that was in dispute, and the evidence that was presented. So, I won't repeat every detail here, only those which form the basis of my decision. Our rules allow me to do this. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I will, however, refer to those crucial aspects which impact the decision I'm making.

Firstly, I was sorry to hear about Mr C's personal circumstances, and I appreciate this matter has added to an already difficult time. I hope Mr C is receiving the support he needs. I also realise this will be disappointing for Mr C and I understand his strength of feeling on this matter and that it has impacted him significantly. He has my sympathy, and I'd like to assure him I haven't taken this decision lightly.

Where the evidence is incomplete or inconclusive, I have made my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

The relevant regulations here are the Payment Services Regulations 2017 (PSRs). Broadly speaking, Lloyds can hold Mr C liable for the disputed transaction if the evidence suggests that he made or authorised it. Or if the transaction was made with the apparent authority of Mr C. So, I've taken that into account when deciding what is fair and reasonable in this case.

In doing so I have reviewed information provided by both parties, which includes evidence provided by Lloyds relating to the transaction itself and the process that was followed to understand what happened. This includes a copy of Mr C's bank account activity, online banking log activity and information relating to the OTP that Lloyds says was sent to Mr C before the transaction was completed. Along with information provided by X.

I note Mr C maintains that his registered phone remained in his possession and no one had access to it and nor had he shared his account details with anyone or clicked on any suspicious links from what he could remember. Mr C has also provided evidence to suggest that there was an attempt made by another unrecognised device to log into his account with X from another location.

Lloyds has evidenced large cash credits were received to Mr C's account just prior to the disputed transaction being transferred on to X. These consisted of £1,495 deposited into the account on 20 May 2025, and a £750 deposit made on 21 May 2025 – the same day the disputed transaction left Mr C's account.

Mr C initially said this was money that he had withdrawn from a credit card and says that he had paid it into his account to cover bills. But I can see he then later stated he transferred these deposits into his account to either pay off a loan which he had taken out for the investment; pay off credit cards he held; pay council tax for the year; or to stop him from going into his overdraft each month.

What this suggests to me is that at this time, Mr C would have been paying close attention to his Lloyds account and the money he held in it. I can see this was an account that ran a relatively consistent balance and so I think that a debit of £2,240 would have been noticed quickly. So, it does raise a question as to why Mr C would not have noticed the payment going out of his account to X sooner.

I have given this all a great deal of thought and having reviewed the evidence presented in detail, I am satisfied the transaction was authorised by Mr C. I say this because Lloyd's evidence shows an OTP was sent to Mr C's registered mobile device and used to execute the payment of £2,240 to C on 21 May 2025. The IP address provided as used for this disputed transaction matches one that can be seen on Mr C's mobile banking log both before and some days after the transaction.

I also note from the online log in evidence presented by Lloyds, that Mr C accessed his online banking on 23 May 2025, a couple of days prior to when he said he initially noticed the transaction going out of his account. So, I am having trouble understanding why, if Mr C had noticed a substantial sum of money missing from his account, and given he was also so reliant on this money - and this was a considerable sum of money to debit his account in one go which would have reduced his balance noticeably - that he then left it several days before raising his concerns with Lloyds.

There's also no indication that Mr C hadn't retained possession of his mobile device. And I note Mr C mentions that AnyDesk had been downloaded onto his device as a consequence of the investment he had been scammed into making in 2024. Lloyds states there was no mention of this when Mr C initially raised his concerns with it, and I can also see that this wasn't something Mr C disclosed to this service until much later. But even with that being said, there's no suggestion in the information provided by Lloyds that there was any malware detected on Mr C's device at the time the transaction was made, and I'm not convinced it makes a difference here.

I realise that although there's no obvious point of compromise, it doesn't mean Mr C made the payment to X himself. But here, given what I've seen, based on what Mr C has said about not sharing his online banking details with any third party - and that his device was in his possession at the time of the disputed transaction. It seems more likely than not that the payment was made by Mr C, or someone who had his authority.

Mr A maintains that had it been his intention to make this payment, he would have budgeted for it but instead he is now struggling financially and having to borrow money from his family. He says that had Lloyds done more to protect his account then he wouldn't be in this position. But, having reviewed Mr C's account activity, I'm satisfied that the transaction I believe Mr C made on 21 May 2025 for £2,240 would not have flagged any suspicions with Lloyds. The transaction followed other genuine transactions which Mr C had previously made on his account, and the transaction was authenticated by Mr C as required by Lloyds.

I don't doubt that Mr C may have been scammed into investing into cryptocurrency investments previously and he's adamant this further disputed transaction was not authorised by him. But I think it's possible that Mr C decided to make more risky investments himself and that they may not have provided the results that he had hoped for.

I appreciate this has been difficult time for Mr C, especially given the illness and loss experienced in the family and I understand this matter has been very upsetting for him. But my role is to consider whether Lloyds is being unfair in holding Mr C liable for the transaction he is disputing on his account. Having considered the evidence provided, on balance I'm persuaded that either Mr C, or someone he entrusted, consented to the payment on the account.

As I haven't seen anything to suggest that Lloyds has been unreasonable in holding him liable for the disputed transaction, I won't be requiring it to take any further action. Lloyds however must be mindful of the position Mr C finds himself in. I would expect Lloyds to be sympathetic to him and give consideration to his circumstances and support him with establishing a plan which will help him manage and meet his financial obligations.

My final decision

For the reasons given, my final decision is not to uphold Mr C's complaint against Lloyds Bank PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 10 February 2026.

Sukhdeep Judge
Ombudsman