

The complaint

Ms S complains that Lloyds Bank PLC (Lloyds, hereinafter) hasn't refunded the losses she's incurred when falling victim to an investment scam.

What happened

Ms S found the investment opportunity on a renown social media platform towards the end of 2023. She was lured in by the prospects of making high returns whilst investing relatively small sums. After having left her personal details on the advert, she was contacted by the scammer.

Ms S mostly communicated with them via social media messaging platforms and phone calls and was made to believe she had access to a genuine trading platform.

Ms S told us the scammer also took over her devices via remote access software to help her with the investment. Ms S claims that she was persuaded by the scammer to open accounts with genuine electronic money institutions I'll refer to as W and R. She then sent her funds from her Lloyds account into those newly opened accounts, and from there, on to the scammer.

From her Lloyds account, Ms S claims she made the following payments to the scammer:

Date	Time	Type of Transaction	Amount
13/11/2023	13:51	Faster payment to Ms S' own account with R	£200
07/12/2023	16:01	Faster payment to Ms S' own account with W	£50
07/12/2023	16:07	Faster payment to Ms S' own account with W	£50
07/12/2023	16:23	Faster payment to Ms S' own account with W	£90
08/12/2023	17:35	Faster payment to Ms S' own account with W	£10
24/01/2024	12:16	Faster payment to Ms S' own account with W	£2,000
24/01/2024	N/A	Transfer into Ms S' savings account with Lloyds	£1,600

Ms S realised that she'd fallen victim to a scam when the scammer stopped contacting her and the scam trading platform stopped operating.

Ms S reported the scam to Lloyds, but it refused to refund her. So, Ms S referred this matter to the Financial Ombudsman Service.

When reviewing this complaint, our Investigator found that Ms S hadn't submitted enough evidence to support that she had been most likely scammed. In any event, our Investigator thought the scam payments weren't out of character enough to alert Lloyds that Ms S may be at risk of suffering from financial harm, so they didn't uphold the complaint.

Ms S disagreed with our Investigator's view on the basis that the scam payments heavily departed from how she routinely handled her account, that Lloyds should have detected that remote access software was being used by the scammer, and that the lack of scam evidence shouldn't be used against her.

In light of this disagreement, I have been asked to review everything afresh and reach a decision on the matter.

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.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused 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.

Where the evidence is incomplete, inconclusive, or contradictory, I must make 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.

I've thought carefully about whether Lloyds treated Ms S fairly and reasonably in its dealings with her, when she made the payments and when she reported the scam, or whether it should have done more than it did.

Having done so, I've decided to not uphold Ms S' complaint.

I know this will come as a disappointment to Ms S and so I will explain below why I've reached the decision I have.

Evidence of the scam and Ms S' loss

Having reviewed all the information available to me about this complaint, I've come to the conclusion that there isn't enough evidence that Ms S made the disputed payments as a consequence of a scam.

I've given serious consideration to the representations made by Ms S that the lack of evidence shouldn't negatively affect the validity of her complaint, but I ultimately must rely on the parties' testimony and supporting evidence to come to a fair and impartial resolution of this complaint.

Neither Ms S nor Lloyds have provided our service with any evidence that the scam occurred, despite several requests being made by our Investigator. Lloyds explained that it hadn't had a chance to investigate these disputed payments but had focused its investigation on other payments that Ms S reported as part of a separate scam she had claimed to have fallen victim to.

Ms S explained that she changed her mobile after the scam and all the conversations with the scammer were lost during this transition. However, I think Ms S should have been able to provide at least some evidence of the scam, be it emails, call logs, some evidence of the

existence of the trading platform, or copies of the research Ms S said she conducted on the account managers the scammer allegedly impersonated.

Moreover, our Investigator asked Ms S for evidence of the loss to the scammer from her accounts with W and R, but she wasn't able to provide any. This means that, not only I'm unable to evidence a scam has taken place, but also that Ms S has sustained a loss, as I can't be certain of the destination of her funds, once they were transferred to her accounts with W and R.

I can however confirm the inter-account transfer for £1,600 Ms S made to her Lloyds savings account was wrongly reported as fraudulent, as Lloyds produced Ms S' savings statements showing the funds didn't leave Ms S' savings account. So, I haven't considered this payment further in my assessment.

Should Lloyds have intervened on Ms S' payments?

Even if Ms S had been able to share sufficient information to prove that she fell victim to a scam and sustained a financial loss as a consequence, I'm not persuaded Lloyds should be liable to refund her.

I appreciate this will have been a significant sum of money for Ms S, so I would like to explain why I've reached this conclusion.

I have kept in mind that Ms S made the payments herself, and the starting position is that Lloyds should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) she is presumed liable for the loss in the first instance.

I appreciate that Ms S did not intend for her money to ultimately go to fraudsters – but she did authorise these payments to take place. However, there are some situations when a bank should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the relevant: law and regulations; regulators' rules, guidance and standards (including Consumer Duty); codes of practice; and, where appropriate, what I consider to be good industry practice at the time – Lloyds should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which payment service providers are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- 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, enabled it to do so.

So, I've thought about whether the scam payments should have highlighted to Lloyds that Ms S might be at a heightened risk of financial harm due to fraud or a scam.

Looking at their frequency and value, I don't think they departed significantly enough from earlier genuine activity to alert Lloyds that Ms S may be scammed.

I say this because, whilst some of the early scam payments were made on the same day, their individual and collective value was very low, and they didn't leave Ms S' account significantly overdrawn. Moreover, they were scattered across a few months, so I can't fairly conclude that a pattern of fraud had emerged.

I appreciate that the last payment of £2,000 on 24 January 2024 was higher value than other payments Ms S had made from her Lloyds account during the previous six months.

However, not every higher value payment will trigger Lloyds' fraud detection systems, as the bank must strike the right balance between being able to process payments efficiently for its customers and protecting them from financial harm.

I don't think the £2,000 payment would have been, based on its value alone, significantly out of character to represent a clear departure from how Ms S ran her account. Moreover, it went to an account in her own name and, by the point it was made, Ms S had already made four faster payments to this account a couple of months before.

So, I'm satisfied Lloyds wasn't required to block and query this payment with Ms S before processing it.

Ms S pointed out that Lloyds should have realised something was amiss due to remote access software being used by the scammer, as she was making the payments. However, I have no evidence whatsoever from Ms S to identify at what point in the scam this was used, as her original testimony doesn't mention the scammer used remote access software whilst she was making the payments from her Lloyds account, but rather more generally "so he could help her with her investments".

Moreover, Lloyds' internet banking audit systems can't retain any information beyond 12 months from the transaction. Given Ms S reported the scam to Lloyds for the first time after 12 months from the last scam payment, the internet banking audit for these payments isn't available.

So, I don't have enough evidence to say remote access software was used as Ms S was making these payments or that Lloyds should have blocked the payments on that basis.

Due to the reasons I have outlined above, I am not persuaded Lloyds ought to have intervened on any scam payments and, therefore, I can't hold it responsible to refund Ms S' losses.

Recovery

I've also thought about whether Lloyds could have done more to recover the funds after Ms S reported the scam.

Ms S claims the funds were forwarded on to the scammer from her accounts with R and W. So once Ms S had done that, there would have been no money to recover in those accounts.

So, I don't think Lloyds is liable to refund Ms S on the basis of any failed recovery efforts.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 25 February 2026.

Daria Ermini
Ombudsman