

The complaint

Ms D complains that Lloyds Bank PLC will not reimburse the funds she lost to a scam.

Ms D is professionally represented, but for ease I have only referred to Ms D in my decision.

What happened

Between October 2023 and April 2024 Ms D made payments from a number of different accounts towards an employment scam.

Our Investigator did not think this complaint should be upheld. She thought Lloyds' intervened appropriately and gave a warning that was tailored to the payment purpose Ms D had given. Our Investigator did not think Lloyds could have prevented the scam if it intervened in any other payments.

Ms D did not accept the Investigator's view. As an agreement could not be reached, the complaint has been passed to me for a final decision.

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, I agree with the outcome our Investigator reached and I will explain why.

In broad terms, the starting position in law is that a bank is expected to process payments and withdrawals that a customer authorises it to make. However, taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice, Lloyds should take steps to identify and where possible prevent sufficiently unusual or uncharacteristic payments to help protect its customers from financial harm resulting from fraud.

Lloyds intervened on a transfer of £5,000, however when questioned, Ms D did not give accurate information regarding the purpose of the payment. Instead stating that she was putting money together to send to her sister. I find Ms D gave plausible answers that I think would have alleviated the concerns the agent may have had. Ms D was then given a warning based on the payment reason she gave and I think that was fair.

I find Lloyds ought reasonably to have found subsequent payments suspicious and intervened further. However I am not persuaded it could have prevented the loss even if it had done so. This is because Ms D gave inaccurate information when questioned by Lloyds and by another bank. Crucially, a cryptocurrency exchange platform told Ms D early on that she was being scammed and that the wallet address she was sending the funds to had been linked to a job scam. However, Ms D did not take heed of this warning or other subsequent warnings from her daughter. Ms D was coached by the scammer and encouraged to conceal the true purpose of the payments which she agreed to do, therefore, I am not persuaded further warnings would have stopped her from continuing.

Ms D made payments from several bank accounts and used a number of different cryptocurrency platforms to circumvent the restrictions put in place by the different businesses. I find Ms D was heavily invested in the scam and determined to make the payments. Therefore had Lloyds gone as far as to restrict Ms D's account or enacted the banking protocol, as she suggests it should, on balance, I think it is more likely than not Ms D would have found alternative means of making the payments.

Some payments were made via Ms D's debit card to legitimate merchants (that is the cryptocurrency platforms) and a service fulfilled. Other funds were transferred to bank accounts and wallet addresses in Ms D's name before they were sent on to the scammer. As these accounts were under Ms D's control, she would have been able to access and recover any funds that may have remained in them. As such, I am not persuaded there were any real prospects of Lloyds recovering the losses.

I could only uphold the complaint if I thought any failings by Lloyds was material to the loss incurred, I'm not persuaded that is the case here. So for the reasons outlined above, I cannot fairly or reasonably require that it reimburse Ms D the money she lost.

My final decision

My final decision is that I do not uphold this complaint.

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

Oluwatobi Balogun
Ombudsman