

## THE COMPLAINT

Mr C complains that Lloyds Bank PLC (“Lloyds”) will not reimburse him money he says he lost when he fell victim to a scam.

Mr C is represented in this matter. However, where appropriate, I will refer to Mr C solely in this decision for ease of reading.

## WHAT HAPPENED

The circumstances of this complaint are well known to all parties concerned, so I will not repeat them again here in detail. However, I will provide an overview.

Mr C says he has fallen victim to a cryptocurrency related investment scam. Mr C says scammer(s) deceived him into making payments to what he thought was a legitimate investment with Allcoinmart. The payments in question were all fund transfers from Mr C’s Lloyds account to his account with Coinbase:

<b>Payment Number</b>	<b>Date</b>	<b>Amount</b>
1	27 February 2021	£2,000.00
2	10 March 2021	£10,000.00
3	10 March 2021	£3,600.00
4	14 April 2021	£4,000.00
5	15 April 2021	£780.00
6	15 April 2021	£1,000.00
7	18 April 2021	£6,500.00
8	22 April 2021	£19,990.00
9	27 April 2021	£5,000.00

10	27 April 2021	£1,000.00
11	27 April 2021	£500.00
12	28 April 2021	£4,000.00
13	28 April 2021	£0.50

Mr C disputed the above with Lloyds. When Lloyds refused to reimburse Mr C, he raised a complaint, which he also referred to our Service.

Two of our investigators considered the complaint separately and did not uphold it. As Mr C did not accept the investigators' findings, this matter has been passed to me to make a decision.

### **WHAT I HAVE 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 find that the investigators at first instance were right to reach the conclusions they did. This is for reasons I set out in this decision.

I would like to say at the outset that I have summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a submission I have not addressed, it is not because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint.

Further, under section 225 of the Financial Services and Markets Act 2000, I am required to resolve complaints quickly and with minimum formality.

### **Key findings**

- I would not have expected Payment 1 – given its relatively low value and the fact it was made in early 2021 – to have triggered Lloyds's fraud detection systems. While Mr C was sending money to a cryptocurrency exchange, that alone would not necessarily make the transaction suspicious. Purchasing cryptocurrency is, in itself, a legitimate activity.
- Payment 2 triggered Lloyds's systems, prompting it to intervene by not processing the transaction. As a result, Mr C contacted Lloyds by telephone.
- Having listened to the telephone call, I consider it arguable that the Lloyds agent could have gone further. However, I am also mindful that Payment 2 took place in early 2021, and the fraud and scams landscape has evolved significantly since then. So, I must assess what would have been a proportionate intervention in the context of that time. With this in mind, I would only have expected the agent to have gone slightly further.

- However, even if the Lloyds agent had gone further, I am not persuaded this would have made any difference in the circumstances. On the balance of probabilities, I consider it likely that Mr C would have frustrated Lloyds’s attempt to protect him from financial harm – thereby alleviating any concerns Lloyds had. I have reached this conclusion by taking the following points into account:
  - Mr C’s representatives submit that, amongst other things, *“The scam began when our client was recruited, instructed to move savings into crypto, and directed to fund Coinbase in readiness for Allcoinmart. The 15 February 2021 email from Allcoinmart Support advised [Mr C] to ‘start investing all your savings to buy Crypto’ via Coinbase or Kraken and then to contact their trader on WhatsApp for demo and live trading. This email evidences inducement, instruction, and purpose of the payments well before 26 April.”* This submission accepts that Mr C was instructed to make transactions before Payment 2. However, during the telephone call concerning Payment 2, when the agent asked Mr C about any third-party involvement, Mr C responded that the payment was his own choice and that he had used Coinbase before. He also confirmed that he was making Payment 2 *“of his own instruction”*. I find that Mr C misled Lloyds during this call.
  - The WhatsApp messages said to be between Mr C and the scammer start on 26 April 2021. Although these messages were exchanged post Payment 2, they are relevant. They show that Mr C did not begin to have any concerns about the scam until much later, around May 2021. Before that point – and at the time of Payment 2 – the messages suggest that Mr C believed in the legitimacy of the scam and had no concerns.
  - Mr C’s representatives’ submissions set out several reasons why he believed in the scam. These include the apparent professionalism of the trading website, the realistic appearance of the trading platform, the onboarding process, the login details he was provided to access his trading account, and the profits he could see displayed within the platform.

Taking all the above points together, I consider it likely that had Lloyds gone further during the call (as described above), Mr C would have frustrated that intervention – thereby alleviating any concerns Lloyds had. The evidence indicates that Mr C was under the spell of the scammer at the time and was prepared to mislead Lloyds to ensure Payment 2 proceeded. A striking feature of this case is the submission that Mr C was not coached by the scammer on what to say during a bank intervention. This suggests that Mr C misled Lloyds of his own volition.

### **Other points**

- I have thought about what would have likely happened had Lloyds intervened in any of Mr C’s transactions post Payment 2. Having done so, I am not persuaded the result would be any different to what I have set out above regarding an intervention for Payment 2.
- Lloyds’s records suggest that, sometime in February 2021, Mr C was required to attend a branch with identification. Mr C’s representatives argue that Lloyds ought to

have done more during the branch visit. I do not agree with this. First, from what I can see, Mr C was not asked to attend the branch because of concerns about his attempted payment to Coinbase, but due to issues relating to the address he was providing to Coinbase. Second, even if Lloyds's branch staff had questioned Mr C about his payments, I have not seen anything to suggest that this would have made any difference in the circumstances – much for the same reasons I have set out above.

- I am not persuaded this is a case where Lloyds, contrary to Mr C's instructions, should have refused to put Mr C's payments through.
- Turning to recovery. Regarding Mr C's fund transfers, they were made from his Lloyds account to another account in his name. Thereafter, those funds were either moved directly to the scammer, or, if not – Mr C should be able to withdraw them from his own account. Further or alternatively, as Mr C's payments were made to purchase cryptocurrency – which would have been forwarded on in this form – there would not have been any funds to recover. Further or alternatively, the likelihood that even if prompt action had been taken by Lloyds on or immediately after the fraud was reported, any of Mr C's money would have been successfully reclaimed seems slim. I say this because of the time that had elapsed between Mr C's payments and when he reported the scam. In these types of scams, fraudsters tend to withdraw/transfer out their ill-gotten gains immediately to prevent recovery.

### **Conclusion**

Taking all the above points together, I do not find that Lloyds has done anything wrong. Therefore, I will not be directing Lloyds to do anything further.

In my judgment, this is a fair and reasonable outcome in the circumstances of this complaint.

### **MY FINAL DECISION**

For the reasons set out above, my final decision is that I do not uphold this complaint.

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

Tony Massiah  
**Ombudsman**