

The complaint

X complains that Lloyds Bank PLC won't refund the full amount of money he says he lost to a scam.

What happened

The background to this complaint is well-known to both parties, so I won't repeat it in detail here. But in summary and based on the submissions of both parties, I understand it to be as follows.

X complains that he sent several payments from his account held with Lloyds to what he believed was a legitimate investment.

When X says he realised he had been scammed, he logged a complaint with Lloyds. Lloyds looked into the complaint but didn't uphold it. So, X brought his complaint to our service.

Our investigator looked into the complaint but didn't uphold it. Our investigator didn't think it had been sufficiently evidenced that X had lost money to a scam. She said that although X had sent some screenshots, there was no information to show X had done anything other than buy cryptocurrency.

As X remained unhappy, the complaint has been passed to me to decide.

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 very 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 focussed on what I think is the significant part here. 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 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.

In line with the Payment Services Regulations (PSR) 2017, consumers are generally liable for payments they authorise. Lloyds is expected to process authorised payment instructions without undue delay. As a bank, it also has long-standing obligations to help protect customers from financial harm from fraud and scams. But those are predicated on there having been a fraud or scam. So, to start, I've considered whether X was a victim of a scam.

Having considered the information X and his representative have sent to support his claim that he was scammed, I'm not satisfied it shows me more than X making a transfer of funds

into a cryptocurrency wallet.

X hasn't sent any evidence of contact with a scammer or someone asking him to transfer money, or most importantly that he suffered a loss after the money entered the cryptocurrency wallet.

X has provided some documents to the Financial Ombudsman in support of his claim that he has fallen victim to a scam. I've given X's submissions careful consideration. From this, I'm satisfied X purchased cryptocurrency. But I haven't seen anything to *specifically* show that any of these transactions (and which ones if so) were carried out in relation to a scam. So, while I've considered X's testimony, I can only be satisfied that he made legitimate transactions on his account – but not that the ultimate beneficiary of the funds was a scammer.

This is further supported by the fact that when X speaks to an advisor from Lloyds when making one of the payments in question, he says there is no one guiding him to make the payments.

It's also worth noting that when X reports the scam to Lloyds, he says he doesn't recognise the company he sent the money to. This is inconsistent with the fact he spoke to an advisor the day before to send a payment to that exact company which he names.

That said, even if I were to be satisfied X had fallen victim to a scam, I'm unable to establish the actual loss he claims to have suffered. This is because I can't be satisfied that X didn't benefit from some of the transactions - due to an absence of evidence of why they were made. And without being able to establish the loss actually suffered (if any), I can't fairly or reasonably direct Lloyds to refund X the disputed transactions.

So based on everything I've seen, on balance, I'm not persuaded or satisfied it's been sufficiently demonstrated that X made these payments to a scam, and it created a loss. This is because of X's lack of evidence to show that he was in contact and convinced by a scammer to send money, or something to show where the money ended up.

So, although I've explained Lloyds has obligations when its customers are sending payments, these are predicated on there having been a fraud or scam. I know X will be disappointed by this outcome. But for the above reasons, I don't think Lloyds has acted unfairly by not providing a refund.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 4 March 2026.

Tom Wagstaff
Ombudsman