

## The complaint

A limited company 'E' complains that Lloyds Bank Plc didn't do enough to prevent the loss it suffered when its director fell victim to a 'safe account' scam.

Mr N, E's director has brought the complaint on its behalf and has used a representative when doing so. But for ease of reading, I'll mostly just refer to Mr N, when I mean his company E or the representative.

## What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here. In February 2023 Mr N was the victim of a safe account scam. He describes how he was called by scammers impersonating his banks. Mr N says around this time he had had unrecognised transactions on one of his accounts and so was expecting to be called.

Mr N is also the sole director of another business 'Z' and it holds an account with bank 'C'. Ultimately, believing his funds were at risk he was persuaded to move money. I've set out a timeline of some of the relevant events below which all took place on 27 February 2023.

Time (approximate)	Amount	Notes
Between 2.44pm and 3.20pm	Five payments of £7,000 and one payment of £2,266.34	Payments from E's account with Lloyds to Z's account with C
3.32pm	£37,677.87	Payment from C to 'R' (account in the control of the scammer).

Mr N says he was told that multiple accounts were under threat and they had all been hacked because they were linked due to payments he'd previously made between them. But when the scammer told him that he needed to transfer money from a further account with another bank 'N' (and he knew there wasn't a history of payments to link the accounts), he realised this could be a scam. Mr N says he can't remember which, but he called either N or Lloyds and they confirmed that moving money to a safe account would be a scam. Mr N then reported this to the banks involved. C managed to recover around £30 from R but they declined to provide a further refund.

Mr N complained to C, Lloyds and R and all three complaints were later referred to our service. Our Investigators upheld the complaints about C and R which Mr N accepted. But the businesses involved asked for an Ombudsman to make a decision. As this complaint about Lloyds is so closely linked, it was appropriate for me to consider them all together and in December 2023 I issued a provisional decision in which I said:

*"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'm not intending to uphold this complaint. I'll explain why. I'm aware of Mr N's linked complaints about C and R, but this decision solely relates to E's account with Lloyds.*

*I accept that the payments made from E's Lloyds account were as a result of the safe account scam. But for the actions of the scammer, Mr N wouldn't have instructed those payments.*

*Lloyds' primary obligation is to follow the payment instructions Mr N provides. But they should also be alert to payments that might be being made as a result of a fraud, scam or the misappropriation of funds.*

*There was a significant history of payments between E's account with Lloyds and Z's account with C. From the statements I've seen this goes back as far as July 2022. And after that time (but prior to the scam) there were over 40 transactions either sent to or received from Z's account with C. As such I think it can fairly be said that there was an established link between the two accounts.*

*I accept that it could be argued that the payments that were made as a result of the scam made use of all the available balance, were for larger amounts than had typically been instructed previously and that they happened in a short space of time. But in the context of the well-established prior link between these accounts, in this case, I don't think Lloyds processing them without doing more than they did was unreasonable.*

*The account that received these funds was also in Mr N's control, and these were sent on to R before Lloyds were aware of the scam. So, I don't think anything Lloyds did or didn't do would have impacted on whether funds could have been returned."*

Mr N responded and said he didn't accept my provisional decision, but he didn't provide any further comments. Lloyds responded and said they had no further comments to add.

### **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.

As neither party had any further comments or evidence for my consideration, I see no reason to deviate from the outcome explained in my provisional decision.

### **My final decision**

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask E to accept or reject my decision before 14 February 2024.

Richard Annandale  
**Ombudsman**