

## Complaint

Mr B is unhappy that Lloyds Bank PLC haven't reimbursed him after he fell victim to a scam.

## Background

The background to this case is well known to both parties so I don't intend to set it out in full here. Briefly, Mr B wanted to buy airline tickets. He contacted a number he had stored on his mobile phone for a travel agent he'd used previously. However, he says that when he called that number, he was connected to a different person.

They claimed to be an employee of the same agency and so Mr B agreed to purchase tickets with him. He'd paid by card previously, but this time his contact asked him to pay for the cost of his flights by bank transfer which Mr B agreed to. He transferred a little over £1,000 in exchange for three return flights. Unfortunately, Mr B hadn't been speaking to a genuine employee of the travel agent but a scammer. He was sent a confirmation email containing a fake travel itinerary, but no flights were booked in his name.

He complained to Lloyds. It looked into things, but it didn't agree to reimburse him. It said that he should've carried out more checks before agreeing to make the payment and he should've been concerned at being asked to pay by bank transfer. It also pointed out that the payee was a limited company that had no connection with the travel agency Mr B believed he was communicating with.

Mr B was unhappy with the response he received from Lloyds and so he referred his complaint to this service. It was looked at by an Investigator who didn't uphold it. Mr B disagreed with the Investigator's view and so the complaint has been passed to me.

## Findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The starting point in law is that Mr B is responsible for transactions he's carried out himself. However, Lloyds is a signatory to the Lending Standards Board's Contingent Reimbursement Model ("CRM") Code. So, I've considered whether he should be reimbursed in full under its provisions. The CRM Code allows Lloyds to decline reimbursement in full if it can demonstrate that one of the exceptions under the code applies. In this instance, it seeks to rely on the exception that applies where a customer made payment *"without a reasonable basis for believing that ... the person or business with whom they transacted was legitimate."* In other words, it argues that Mr B's belief that this was a genuine business he was transacting with was not a reasonable one.

I've considered the available evidence carefully and I agree with that conclusion. I don't doubt that Mr B sincerely believed he was dealing with a legitimate employee of the travel agent. However, Lloyds has shown us the text of the warning that it displayed during the payment process. This told him to make the payment by card and said in the second of three bullet points *"If you can't pay by card, it's often a scam."*

I understand he asked the person he was speaking with whether he could pay by card but was told that it had to be by bank transfer. Mr B confirmed to us that he would normally pay for flights using a credit card and that he did find it strange that he had to pay in this way. In the circumstances, I think the warning from the bank should've put Mr B on notice that he was taking a significant risk by making a bank transfer.

I don't say any of this to downplay or diminish the fact that Mr B has fallen victim to a cruel scam here. However, my role is limited to considering the actions and inactions of the bank. And while I know that my decision will be a grave disappointment to Mr B, I'm not persuaded that there was much more it could've done to protect him and so I don't think it now needs to reimburse him.

### **Final decision**

For the reasons I've set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 10 November 2023.

James Kimmitt  
**Ombudsman**