

The complaint

Mr S complains that Lloyds Bank PLC (“Lloyds”) have failed to refund £5,850 he lost to an investment scam.

What happened

The details of this complaint are well known to both parties, so I won’t repeat everything again here. In brief summary, Mr S fell victim to an investment scam and complained that Lloyds should have prevented his loss.

I issued my provisional findings to both parties in August 2023. I said I wasn’t minded to uphold it and set out the following reasons:

I can see that the debate here has become about whether any intervention by Lloyds would have made a difference. However, I don’t think that any human intervention was in fact required in this case in the first place.

I appreciate that Mr S says that Lloyds sent him an SMS message to confirm the £4850 payment he made on 27 July 2022 was genuine. But ultimately, I’m satisfied this would have been a proportionate response in light of payment value and Mr S’s typical account activity. I can see that Mr S had made large payments by debit card before, for example, such as a payment of £1,200 made on 31 May 2022.

I accept that a payment £4,850 was larger than many other payments Mr S had made before. But it was also the second payment being made to what was by that point an already established (and legitimate) payee on his account. So, if Lloyds had concerns as to whether it was in fact Mr S making the payment, an SMS message was an appropriate way to confirm if it was indeed him making it. But otherwise, I’m not persuaded Lloyds ought reasonably to have had any further concerns that he might have been falling victim to a scam, such that it ought to have spoken to him and questioned him about the payment at all.

As a result, I don’t intend to uphold this complaint as I don’t consider Lloyds had any significant reason to block the payment after Mr S confirmed it was genuine.

I invited further comments and evidence from both parties, but neither party provided anything in response.

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.

Given that neither party had anything further to add in response to my provisional findings, I see no reason to depart from the conclusions set out above.

It follows that I do not uphold this complaint.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 15 September 2023.

Jack Ferris
Ombudsman