

## **The complaint**

Mr F complains that Lloyds Bank PLC (“Lloyds”) have failed to refund money that Mr F lost as part of an investment scam.

## **What happened**

Mr F was contacted by someone who said they worked for a crypto trading company that I will call B. From what I can see he made a number of card payments totalling over £7,000 to three crypto exchanges. Mr F said that he purchased crypto and forwarded it on to B. The largest payment was just over £1,700.

Mr F then tried to withdraw the “profits” that he had made and when he was told he had to pay further money to make a withdrawal he realised that he had been scammed.

Mr F raised a complaint with Lloyds as he believed that Lloyds should have stopped him from making the payments in question.

One of our investigators looked into this matter they decided that the transactions were not sufficiently out of character to warrant an intervention by Lloyds and that there was no other means of Lloyds recovering the funds.

Mr F did not agree with this and therefore his complaint was passed to me to issue a final decision.

## **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.

Having done so, I agree with the conclusions reached by the investigator for the following reasons:

It isn’t in dispute that Mr F authorised the disputed payments he made using his Lloyds debit card to the three crypto exchanges (where his funds were subsequently transferred on to the scammers from his crypto wallet). The payments were requested by him using his legitimate security credentials provided by Lloyds, and the starting position is that banks ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.

However, I’ve considered whether Lloyds should have done more to prevent Mr F from falling victim to the scam, as there are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly out of character. However, having taken Mr F’s account activity and payment history into account, I do not think the payments he is disputing should have been regarded as particularly unusual.

The payments were not of such a large amount that they would represent a significant deviation from what would be considered as 'usual' activity. I accept that one of the payments did represent a larger payment than Mr H usually made but not sufficiently so in my opinion to have necessitated an intervention from Lloyds.

So, having considered the payments Mr F made, I'm not persuaded there was anything that ought reasonably to have triggered Lloyds's fraud monitoring systems or that would have indicated he was in the process of being scammed. I therefore do not consider there to have been any obligation on Lloyds to have intervened any further

I've also thought about whether Lloyds did enough to attempt to recover the money Mr F lost, as there are some instances where debit card transactions can be refunded through making a chargeback claim. But in this case, a chargeback would not have been successful, as the transactions Mr F used his debit card for was to purchase of cryptocurrency, which he duly received. The money was subsequently lost from the crypto platform when he transferred the funds to the scammer. So, he could not claim that he did not receive the goods or services paid for from his Lloyds account, which was the purchase of the cryptocurrency. As a result, I don't think Lloyds have acted unreasonably by failing to pursue a chargeback claim here.

I appreciate this will come as a disappointment to Mr F, and I'm sorry to hear he has been the victim of a cruel scam. However, I'm not persuaded that Lloyds can fairly or reasonably be held liable for his loss in these circumstances.

### **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 F to accept or reject my decision before 12 October 2023.

Charlie Newton  
**Ombudsman**