

The complaint

P complains that Lloyds Bank PLC ("Lloyds") have failed to refund a payment of £9,542.75 it made to a Wise account as part of an investment scam in February 2022.

The details of this complaint are well known to both parties, so I won't repeat everything again here. Instead, I will focus on giving the reasons for my 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 P authorised the disputed payment made to Wise (the account of which was held in the name of P's sole proprietor) using its Lloyds debit card (where the funds were subsequently transferred on to the scammers). The payments were requested by P using its 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 P 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.
- Having considered the payment of £9,542.75 in light of P's spending history, I don't think it would have appeared particularly unusual or out of character. I can see that it had made much larger transactions prior, such as two payments of £15,000 and £28,763.43 just the day before it made the payment to Wise. Payments as large as £83,000 had also been made from the account in September 2021, so a payment of less than £10,000 would therefore not have represented a significant deviation in the way P's account was normally used. Therefore, I'm not persuaded there was anything that ought reasonably to have triggered Lloyds' fraud monitoring systems in these circumstances, and I don't consider there to be any fair or reasonable basis in which it can be held liable for P's loss.

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 P to accept or reject my decision before 10 October 2023.

Jack Ferris

Ombudsman