

The complaint

Mr H complains that Lloyds Bank PLC ('Lloyds') hasn't refunded money he says he lost as a result of identity theft.

What happened

Mr H says that he is the victim of identity theft perpetrated by someone I'll refer to in this decision as D, who he had known since around January 2023.

Mr H says that his account was credited with two separate payments totalling £6,533.60 on 27 June 2023 and that the same amount was fraudulently removed from his account on the same day. Lloyds refunded £6,533.60 on 17 July 2023. On the same day £6,533.60 was withdrawn from Mr H's account in branch. Mr H says that D used false identification to withdraw the funds and that D was later convicted and sent to prison as a result. He also says he was in hospital at the time of the cash withdrawal.

In support of his claim Mr H provided a letter from a magistrate's court saying D was convicted of false representation and fraud and convicted on 14 August 2023. Mr H also provided a discharge summary from a hospital which said he was in hospital from 1 to 19 July 2023.

Mr H raised a claim with Lloyds. After reviewing the evidence, Lloyds said there was no evidence to indicate it was liable for the transaction and recommended that Mr H report the matter to the police.

Mr H was unhappy with Lloyds' response and brought a complaint to this service.

Our investigation so far

The investigator who considered this complaint didn't recommend that it be upheld. She wasn't satisfied the cash withdrawal was authorised by a third party and said that she couldn't see how a third party would have known the account had been credited. The investigator referred to the letter Mr H provided from the court in support of his claim and said that when she contacted the court it was unable to find the case. Finally, the investigator noted that the letter provided by Mr H to this service was different to the one provided to Lloyds.

Mr H didn't agree with the investigator's findings and asked for a final decision. He said:

- His partner accessed his account while he was in hospital when D was in the house, so he saw the balance in C's account.
- He received the two letters from the court at different times.

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.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – in other words on what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

Generally, Lloyds can hold Mr H liable for the disputed transaction if the evidence suggests that it's more likely than not that he made or authorised it himself.

I'm sorry to disappoint Mr H but I have reached the same conclusion as the investigator and for broadly the same reasons.

I've carefully considered the evidence in this case and can see that Lloyds asked for identification when the cash withdrawal was made. Mr H later told Lloyds no ID documents were stolen from him. It's not clear how D would have obtained this evidence and then returned it.

I also agree with the investigator that it seems strange a third party would have known Mr H's account had just been credited with a large sum of money. Mr H has now suggested that his partner had access to the account while he was in hospital and D went to his house and saw his balance. I find this explanation implausible, particularly given that, when Mr H reported what had happened to Lloyds, he said he hadn't shared his log in details with anyone. I also find it unlikely D happened to be in Mr H's house at the time his bank credited his account with a large sum and was able to see this.

I'm not satisfied that the evidence Mr H has provided is legitimate so I can't fairly rely on it. He has produced two different letters from a magistrate's court, both showing the same date. The letters don't include a name, contact details or a signature, and include information I wouldn't expect to see. I won't go into detail here, except to say that both letters say D was sentenced to six years in prison. A magistrate's court can't sentence someone to more than 12 months in prison. One of the letters says the judge advised Mr H that he should get his money back from the bank as the bank didn't check D's ID, but the other letter provided doesn't include this section. And when the investigator called the court, it had no record of the case. Overall, there are too many concerning features for me to fairly rely on the letters Mr H has provided. I also have concerns about the discharge summary provided by Mr H, which includes conflicting information.

Overall, I'm not satisfied Mr H has been the victim of identity theft and can't reasonably ask Lloyds to reimburse him.

My final decision

For the reasons stated, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 7 March 2024.

Jay Hadfield
Ombudsman