

The complaint

Mr T complains Lloyds Bank PLC didn't do enough to protect him when he fell victim to a job scam.

What happened

Mr T has an account with Lloyds Bank and an account with another business who I'll refer to as "H" in the rest of this decision.

Mr T says he was contacted on a well-known messaging app asking him whether or not he was interested in a job opportunity. He says he was told the job involved completing tasks and that he'd receive 5% commission for every task he completed and that he'd be paid once he'd done 40 tasks. Mr T says he checked the company involved online and its website looked professional and there were no negative reviews about it. So, he agreed to the job. He says he was onboarded and added to a group of people doing the same job. He says that he was told he'd need to buy cryptocurrency and deposit it in order to complete all of his tasks. In fact, Mr T was dealing with scammers. He says he realised he'd been scammed when he kept on being told to take out loans in order to make the payments he was told he needed to make in order to withdraw his earnings. Mr T contacted Lloyds Bank and H.

Lloyds Bank looked into Mr T's claim and said that the payments he'd made had been sent to an account in his name and so wasn't covered by the CRM code. Lloyds Bank also said that it had spoken to Mr T before releasing his second payment and he'd not disclosed the real reason for the payment – he'd said he was investing and no third party was involved. In the circumstances Lloyds Bank said that it wouldn't be able to offer Mr T a refund. Mr T was unhappy with Lloyds Bank's response – and H's – and complained to our service with the help of a representative.

One of our investigators looked into Mr T's complaint and said that there was no dispute that the activity on Mr T's account became unusual when he sent the second payment. That's because that payment was for over £5,000 and to a new beneficiary – and the payment had been attempted and blocked multiple times. Our investigator said that Lloyds Bank couldn't fairly have been expected to uncover the scam based on the answers Mr T had given in the calls it had with him. In addition, given that the payments had been sent to genuine third parties selling cryptocurrency, our investigator didn't agree that Lloyds Bank could have done more to recover Mr T's money and said that there wasn't a reasonable prospect of any chargeback attempt succeeding. In short, our investigator didn't think Lloyds Bank had acted unfairly so didn't uphold Mr T's complaint. Mr T was unhappy with our investigator's recommendations and so asked for their complaint to be referred to an ombudsman for a decision. His complaint was, as a result, passed to me.

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.

In this case I'm satisfied that Mr T made four transfers and one card payment to legitimate

cryptocurrency providers. The first payment was for just over £625. I agree with our investigator that there was nothing unusual about that payment so there was no reason for Lloyds Bank to intervene.

The second payment Mr T made was for over £5,000 and to a new beneficiary. Lloyds Bank blocked that payment – there seems to be no dispute that it was sufficiently unusual to be of concern – meaning Mr T called to find out what was wrong. I’ve listened to that call, and I agree with our investigator that Lloyds Bank couldn’t fairly have been expected to uncover that Mr T was being scammed. That’s because Mr T told Lloyds Bank that he was simply investing in cryptocurrency and didn’t say that he was buying cryptocurrency as part of a job that involved completing tasks. He gave similar responses when Lloyds Bank spoke to him again on 1 June 2023.

I agree that some of the answers Mr T gave in these calls weren’t convincing. He’d said, for example, that the first payment was a transfer to “Family and friends” and when he was asked why he’d said this his response was “no reason”. His responses about loan proceeds he’d received weren’t convincing either. But that doesn’t take away from the fact that Mr T told Lloyds Bank more than once that he was simply investing in cryptocurrency and didn’t say that he was buying cryptocurrency as part of a job that involved completing tasks.

My final decision

My final decision is that I’m not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr T to accept or reject my decision before 19 June 2024.

Nicolas Atkinson
Ombudsman