

## The complaint

Mr C complains that Lloyds Bank PLC (“Lloyds”) won’t refund £5,000 which he says he lost to a vehicle purchase scam.

## What happened

The details of this complaint are well known to both parties, so I won’t repeat everything in detail again here. However, in summary, Mr C says he fell victim to a vehicle purchase scam in July 2023.

Mr C says he was looking for a motorhome online when he found one he liked the look of on a well-known auction website.

Mr C contacted the seller of the motorhome and was told there had been lots of interest. So, if he wanted to secure it, he would need to pay a £5,000 deposit and he could come and collect it over the next couple of days.

Mr C said he believed the price of the motorhome to be reasonable and he was able to complete a HPI check and insure it. This reassured him that the motorhome, and the sale more generally, was legitimate and so he agreed to transfer the deposit payment to the account specified by the seller.

A couple of days later, Mr C went to pick up the motorhome but when he arrived at the address given to him, he was told the person he had been speaking with did not live there and there was no motorhome for sale. At this point, Mr C says he realised he had been scammed.

Mr C then contacted his bank, Lloyds, and he asked if it could do anything to get his money back or offer him a refund. Lloyds declined to offer Mr C a refund as it didn’t think he had a reasonable basis for believing the sale was legitimate before he made the deposit payment. It also said Mr C had selected the wrong payment reason when making the payment and so it had been unable to provide him with an effective scam warning at the time too. Lloyds went on to say that it had reached out the bank that had received Mr C’s funds, but it had only been able to recover 4p.

Unhappy with Lloyds’ response, Mr C brought his complaint to this service. One of our investigators looked into things but she didn’t uphold the complaint. Our investigator said Mr C hadn’t provided enough evidence to satisfy her that a scam had taken place. But even if she were to be satisfied that a scam had occurred, she still didn’t think the complaint was one she could uphold.

Mr C disagreed with the Investigators opinion; he said that the £5,000 payment was so unusual when compared to his previous account history that Lloyds should have contacted him about it before it left his account.

As an agreement could not be reached, the complaint was passed to me for 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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

Having reviewed all the evidence provided to me, I agree with the outcome reached by our investigator, for largely the same reasons. I haven't seen sufficient evidence of Mr C having been scammed and so I won't be upholding this complaint. I'll explain why in more detail below:

As part of her investigation, our investigator asked Mr C to provide us with evidence that he had been the victim of an APP scam. This is included a copy of the advert for the motorhome Mr C saw at the time, as well as evidence of any conversations that took place between Mr C and the scammer.

Initially, Mr C's representatives told us that all the conversations between Mr C and the scammer had been deleted. However, they later confirmed that this was not the case, and all conversations with the scammer had taken place over the telephone - which is inconsistent with what Mr C tells Lloyds when he reports the scam. Regardless, Mr C's representatives say because of this, the only evidence Mr C is now able to provide is a screenshot of a link to a motorhome being advertised on the same auction website and a screenshot of a text message that shows a direct debit had been set up to insure a vehicle.

Mr C hasn't been able to send us any further evidence to support that he has been the victim of a scam. And this means I have no evidence to connect the £5,000 payment that left Mr C's account to the sale of a motorhome or anything to show Mr C was tricked into making this payment.

It's not possible to connect the screenshot of the link to a motorhome for a sale on the auction website with what Mr C says happened here. And the text message referring to an insurance direct debit does not reference what vehicle it is in relation to either. I understand that Mr C's representatives said he carried out a HPI check on the vehicle but when reporting the scam, Mr C says he didn't. I also haven't seen any evidence that Mr C tried to get in touch with the seller after he realised the motorhome was not at the address he'd travelled to. In fact, I haven't seen any evidence that supports that Mr C was in contact with someone about a motorhome at all.

Generally, in cases such as this, I would expect to see some evidence of the conversations that took place to arrange the sale. Furthermore, where a case is referred to the Police, I would expect to see some form of paper trail. However, despite requests from our investigator, Mr C hasn't been able to provide such evidence, nor has he been able to demonstrate through contemporaneous evidence that the £5,000 payment now in question was made as the result of a scam.

So, taking into account the very limited information I have available to me, there simply isn't enough for me to fairly and reasonably say Lloyds should refund Mr C the amount he says he lost now.

For completeness, I've also gone to think about whether Lloyds should've offered Mr C a refund under the Lending Standards Board Contingent Reimbursement Model Code (the CRM Code) or whether it could have done anything else to protect Mr C at the time the payment in question was made. I don't intend to go into detail on this because, as I've said above, I haven't seen enough evidence to persuade me that the payment in question was made as the result of a scam. So, it is suffice to say that even if I did have enough evidence to say Mr C had been the victim of a scam, I still don't think it would be reasonable to uphold this complaint.

I agree with the investigator, that the concerns Lloyds raised about the reasonableness of Mr C's basis of belief are enough to support its position that it doesn't need to provide Mr C with a refund under the CRM Code, for the same reasons:

- The price of the motorhome in question was £10,000 lower than market value and so the prospect could reasonably be considered to be too good to be true.
- Mr C had only seen pictures of the motorhome, he had not viewed it in person.
- Mr C didn't carry out any checks as to whether the person he was speaking with was the owner of the vehicle or in a position to sell it before agreeing to transfer a substantial deposit which, on the face of it, would seem to be a disproportionate amount of the overall cost.

I also don't think it would be reasonable to say Lloyds failed in its obligations under The Code. Mr C entered an incorrect payment reason when authorising this payment. He told the bank he was making a transfer to "friends and family" rather than indicating that he was paying for goods online. And I think this reasonably impacted Lloyds' ability to give a relevant effective scam warning. There wasn't anything else about the payment that would've sufficiently indicated to Lloyds that the payment was being made as a result of the sale of a motorhome online. And the bank can only give a warning based on the scam risk it could've reasonably identified at the time. So, I don't think it would be reasonable to say that in this particular case, Lloyds should've identified that Mr C was about to fall victim to a vehicle purchase scam and that it failed to provide Mr C with an effective scam warning.

I've taken into account Mr C's representative's arguments that the payment was so unusual and out of character that it should've prompted an in-person intervention by Lloyds. I've taken on board what they've said about the payment being higher than payments Mr C usually made and about it being made to a new payee. However, I also have to bear in mind that Mr C had made payments in the thousands from his account before. And I can't ignore that this was a one-off payment that Mr C had indicated he was making to a friend or family member rather than to purchase a vehicle online. The payment also left him with a healthy balance. So, whilst I agree the case is finely balanced, I'm not satisfied that this particular payment would've looked so suspicious to Lloyds at the time that it would've warranted an in-person intervention before it could be processed at Mr C's request.

### *Summary*

Based on the very limited evidence available to me, I don't consider there's enough evidence to demonstrate that Mr C has lost money to a scam. I therefore do not consider it would be fair and reasonable to hold Lloyds liable for the money he says he lost in these circumstances. For completeness, even if I had seen enough evidence of a scam taking place, I still don't think this would result in the outcome Mr C wants, a refund of his losses.

I'm not persuaded Lloyds has acted unreasonably in declining Mr C's complaint under the CRM Code or that it could've done anything else to protect Mr C at the time the payment was made either. So, I won't be directing Lloyds to take any further action.

**My final decision**

Your text here

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 26 July 2024.

Emly Hanley Hayes  
**Ombudsman**