

## **The complaint**

Mrs A complains that Lloyds Bank PLC didn't do enough to protect her from the financial harm caused by a scam.

## **What happened**

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mrs A and her husband (who I'll refer to as Mr J), were looking to buy a car when they came across one on social media which was being sold by a company I'll refer to as "S". Mr J expressed an interest and was told it was being sold on behalf of someone who lived outside of the UK who wanted a quick sale, which he thought was a plausible explanation for the fact the car was good value when compared with other vehicles he'd seen with similar mileage.

He was sent photographs on the social media platform and did other checks including an online search of S. He also read reviews about S which were all positive and he noted it was registered on Companies House. He was told the car would be delivered so he wouldn't have to go and inspect it and the price included a five-day warranty so it could be returned if it wasn't satisfactory.

Mr J signed the contract and was sent an invoice, an information pack with photographs of the V5C document confirming the previous owner's name and address, and a copy of their driving licence. He was asked to make the payment via bank transfer and so on 6 February 2023 he went into a Lloyds branch and paid £5,150 cash into the account details provided on the invoice. He was told the car would be delivered within three business days of the payment, but it never arrived and he realised he'd been scammed.

Mrs A complained to Lloyds with the assistance of a representative who said it should have stopped the transaction and that it should be refunded under the Contingent Reimbursement Model ("CRM") Code.

But Lloyds said it was unable to refund the money. It explained the CRM code only covers faster payments, CHAPS, and internal transfers, and as the payment was made directly to the receiving account as a cash deposit, the claim didn't fall within the code.

It said that when it learned about the scam, it took necessary actions to ensure the account was secured so that no-one else would be scammed into sending money to the account. It said the account was opened correctly and had been operating normally prior to receiving the payment. And there was no evidence of other maliciously redirected payments being made to the account, so there was no reason for it to have been concerned by its usage before the scam was reported to it. It also said that by the time Mrs A reported the transaction, the funds were no longer available in the recipient account.

Mrs A wasn't satisfied and so he complained to this service with the assistance of a representative. I issued a decision in which I concluded that I couldn't consider the element

of Mrs A's complaint that related to Lloyds Bank PLC's failure to question Mr J about the payment because the funds were deposited in cash into the scammer's account by Mr J.

However, I said I could consider whether Mr J was prevented from depositing the cash into her account because this relates to advice given by Lloyds about whether money could be paid into Mrs A's account.

Our investigator has previously explained that Lloyds' processes and procedures prohibit third parties from depositing cash into personal accounts which don't belong to them and as Mr J wasn't the account holder he was satisfied Lloyds had acted in line with its processes when declining the cash deposit into Mrs A's account. He was also satisfied the only alternative had been for the cash to be deposited into the scammer's account because it was a business account and therefore exempt from the rule which had prevented Mr J from depositing the cash into Mrs A's account. Rejecting that element of the complaint, he concluded Lloyds had acted reasonably when declining to deposit the funds into Mrs A's account and allowing him to deposit the funds into the scammer's account.

Mrs A wasn't satisfied and so she asked for her complaint to be reviewed by an Ombudsman.

### **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've reached the same conclusion as our investigator. And for largely the same reasons. I'm sorry to hear that Mrs A has been the victim of a cruel scam. I know she feels strongly about this complaint and this will come as a disappointment to her, so I'll explain why.

The element of the complaint I can consider relates to the fact Mrs A has stated that Lloyds' cashier advised Mr J to deposit the funds directly into the scammer's Lloyds account instead of into her own Lloyds account and that this limited her options when she later realised she'd been scammed.

Her representative has explained that the cash which Mr J deposited into the recipient account was money they had saved and which they had chosen not to put into a bank account. When Mr J attended the branch, he asked the cashier to deposit the cash into Mrs A's Lloyds account and then transfer it to the scammer's account because the scammer had asked for the funds to be paid via bank transfer and he knew it would be more secure. The cashier told him it wasn't necessary to deposit the cash into Mrs A's account first and proceeded to deposit the money directly into the scammer's account.

Lloyds has stated that the cashier who completed the transaction was very experienced and has had no previous issues. She remembers Mr J as he and Mrs A have returned to the branch a few times since the transaction. She has stated that she didn't recommend that the cash should be deposited directly into the scammer's account and that she tried quite hard to check if Mr J had an existing account with Lloyds or if he had another account elsewhere to pay the cash into. She has explained that Mr J's English wasn't very good and as she couldn't make herself understood she paid the cash into the scammer's account as this is what he had requested initially.

I've considered the evidence which relates to what happened when Mr J attended the branch and it's clear he took the cash with him with the intention of paying it into the scammer's account.

The first issue in dispute is Mr J's intention when he first attended the branch and so I need to consider what is most likely to have happened based on the available evidence. Lloyds has submitted evidence from the cashier who it says was very experienced and who specifically recalls the incident. Based on fact I consider the evidence of the cashier is reliable, I'm persuaded that her description of Mr J having initially asked to pay the cash into the scammer's account is a true reflection of what happened.

However, even if I accepted that at some point Mr J asked to deposit the cash into Mrs A's Lloyds account, I think it's unlikely he was told it wouldn't be necessary. This is because Lloyds' processes meant he wasn't able to deposit funds into Mrs A's account because he wasn't the account holder and so if he had asked to do so, that it's more likely that is what he'd have been told.

The cashier has also said that she tried to explore whether Mr J had a Lloyds account or another account and because he didn't understand what she was trying to say, she eventually allowed him to deposit the money directly into the scammer's account. As Mr J doesn't have a Lloyds account, English isn't his first language and the advice is in line with the advice I would reasonably expect the cashier to have given in the circumstances, I'm satisfied this is what is most likely to have happened and as the scammer's account was a business account, I'm also satisfied the advice was in line with Lloyds' processes.

Overall, I think it's most likely that Mr J tried to deposit the cash into the scammer's account and after exploring other options, the cashier permitted him to do so. I'm also satisfied that was fair and reasonable and in line with Lloyds' processes.

I understand Mrs A will be disappointed, but for the reasons outlined above, I'm not minded to uphold this complaint.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 5 June 2024.

Carolyn Bonnell  
**Ombudsman**