

The complaint

Mrs Z complains Lloyds Bank PLC didn't do enough to protect her when she fell victim to an investment scam.

What happened

Mrs Z has accounts with Lloyds Bank including a current account and a savings account. She has an account with another business too, who I'll refer to as "H" throughout the rest of this decision.

Mrs Z says she was added to a group of around 400 people on a well-known messaging app talking about cryptocurrency investment. She says she questioned this at first, but as she'd heard a lot about cryptocurrency she stayed in the group and after speaking to other people in the group decided to invest. Mrs Z says she was told she'd need to open a cryptocurrency wallet – which she did – and that she'd also need to open a trading platform account. She says she decided to give investing a go and transferred £1,000 on 15 November 2023. She says she made a small profit and was persuaded to invest more. She says by 1 December 2023 she'd invested £21,500 and that she was trying to get her investment up to £25,000 as she says she'd been told she'd make much higher returns. Mrs Z says Lloyds Bank blocked the further payments she tried to make and that she had to call them. She says that Lloyds Bank explained the types of scams that it was seeing and following this call she says she realised she'd been scammed as a result of further research she'd done given what Lloyds Bank had said. Mrs Z complained to Lloyds – once she realised she'd been scammed – saying that it should have warned her earlier. Had it done so, Mrs Z says she wouldn't have sent so much money to the scammers.

Lloyds Bank looked into Mrs Z's complaint and said that it couldn't refund her as all of the payments she'd sent were payments to an account in her name. Lloyds Bank also said that the payments she'd made weren't unusual for her account either. Mrs Z complained to us.

One of our investigators looked into Mrs Z's complaint and said that she'd carried on making payments despite Lloyds Bank having intervened, so it wouldn't be fair to hold Lloyds Bank liable. Mrs Z disagreed saying she hadn't made any further payments after Lloyds Bank's call which showed that the call had made a difference. She said that Lloyds Bank should have called sooner than it did, as the payments she was making were unusual, and had it done so she would have realised that she was being scammed sooner. She said Lloyds Bank had accepted the payments were unusual. She also said that she was vulnerable at the time. Mrs Z asked for her complaint to be referred to an ombudsman for a decision. Her 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.

I've listened to a couple of calls Mrs Z had with Lloyds Bank on 1 December 2023 about a large payment that she wanted to make to a well-known cryptocurrency exchange. I can see

that Lloyds Bank asked Mrs Z about the fact that she'd been making quite a few large payments to the merchant in question recently and wanted to check that she wasn't falling for a scam. I can see that Mrs Z told Lloyds Bank that she was simply investing in cryptocurrency – which although risky isn't in itself a scam – and that there was no third party involved. That's important because cryptocurrency investment scams normally involve a third party encouraging the victim to buy cryptocurrency and then transferring the cryptocurrency they've bought to a trading platform – it's the trading platform that's normally fake and normally where the scam takes place. I can see that Lloyds Bank said that it would put the payment Mrs Z wanted to make on hold for 24 hours to give her an opportunity to reflect on whether or not she wanted to go ahead with the payment to make sure she wasn't being scammed. Mrs Z decided to cancel the payment – saying she needed to transfer the money to her cryptocurrency wallet that day – and then tried to transfer the money to her account with H. I can see that Lloyds Bank blocked this payment too as it was concerned Mrs Z was trying to get round the fact that it had put her payment on hold for 24 hours.

I accept that Mrs Z says she didn't make any further payments after 1 December 2023 and can see she's said that this shows the calls with Lloyds Bank made a difference. She's said she carried out further research after Lloyds Bank had told her what it did, and it was this further research that made her realise she was being scammed. The evidence I've seen suggests that Mrs Z was under pressure to get her investment up to £25,000 that day and couldn't do so because Lloyds Bank's actions effectively meant she wasn't able to transfer more money that day. The evidence doesn't suggest that the call with Lloyds Bank was what led Mrs Z to realise – once she'd done more research – that she was being scammed. In other words, wasn't what Mrs Z has referred to as a "wake up" call. One of the reasons why I say that is because most of the discussion was about how risky cryptocurrency was as an investment given the answers Mrs Z had given. In short, I agree with our investigator that it wouldn't have made a difference had Lloyds Bank had a similar conversation earlier. That means I agree that Lloyds Bank didn't miss an opportunity to prevent further loss.

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 Mrs Z to accept or reject my decision before 17 December 2024.

Nicolas Atkinson
Ombudsman