complaint

Mr R is unhappy with the action Lloyds Bank PLC took after he fell victim to a scam.

background

In September 2017, Mr R was befriended by a woman online who, over the course of the next couple of months, persuaded him to transfer a total of £323,600 to her as part of a cruel 'romance scam'.

Mr R has told us he was in a vulnerable position at the time. He has said he felt lonely having lost his father the year before, after caring for him for a long time during a terminal illness. Mr R has said the scammer was able to gain his trust by pretending to be in a similar position. And she convinced him to transfer her money by giving various reasons for needing it, such as a family bereavement and moving costs. Mr R used money from his inheritance when making these payments, transferring money from a savings account held with Lloyds and accounts held with other external providers.

In November 2017 Mr R met with his Independent Financial Advisor (IFA) as he needed money from some of his other investments to send to the scammer. The IFA told Mr R he thought he was being scammed. The matter was reported to Action Fraud and Mr R reported it to Lloyds on 27 November 2017.

Lloyds didn't take any action at this point. It told Mr R that because he sent the money to the scammer himself there was nothing it could do.

Lloyds conducted a review of the scammer's account (which was also a Lloyds account), in January 2018 and it contacted Mr R to ask about the transfers he'd made. At this point Lloyds discovered there was £111,500 left in the scammer's account and Lloyds returned this to Mr R in February 2018.

Following the recovery of that money, Mr R realised Lloyds could've done more when he initially reported the fraud in November 2017 and so he complained. In response, Lloyds paid Mr R £500 for the inconvenience he'd been caused and £50 to cover the cost of the telephone calls he'd made about the matter. It also took another look at the impact of its inaction in November 2017, and in July 2018 refunded a further £69,197.92 to Mr R. This was the amount Lloyds said it would've been able to recover from the scammer's account had it acted upon Mr R's concerns when he reported it on 27 November 2017. It also paid Mr R 8% interest on the amount from 27 November 2017 until the date of settlement which totalled £3,746.17. And it offered a further £650 in compensation, which Mr R didn't accept. Mr R then referred his complaint to us in July 2018.

In total Lloyds has recovered and refunded £180,697.92 of the £323,600 the scammer took from Mr R. So Mr R remains just over £142,902.08 out of pocket.

I have set out a full list of the 43 transfers Mr R made later in this decision.

Our investigation

One of our adjudicators reviewed the complaint. She was satisfied Lloyds had taken appropriate steps to correct its error in not acting when Mr R called to report the fact he'd been a victim of fraud in November 2017. However, she believed Lloyds should've intervened sooner, and she felt that had it done so, Mr R would've been alerted to the scam after just a couple of days.

The adjudicator pointed out that the pattern of spending on Mr R's account was unusual; she said Lloyds should've been alerted to this through transaction monitoring and made contact with Mr R to discuss it. She was persuaded that if this had happened Mr R would've realised he was being scammed, just like when his IFA alerted him, and Mr R would have stopped transferring money to the scammer.

She explained that it was difficult to say at what point exactly Lloyds should've intervened. She noted there was a balancing act for the bank to achieve in allowing a customer unrestricted access to their funds and it providing an appropriate level of security and protection against fraud and scams.

But she considered Lloyds should've seen a pattern developing after the first three larger transactions on 30 September 2017 (transfers 4 to 6). The new payee was set up the day before and three payments were sent to the scammer, followed by three larger payments the following day over a much shorter space of time. The adjudicator concluded these payments should've flagged with Lloyds that something unusual might be occurring.

As a result the adjudicator recommended Lloyds refund Mr R the money it had not already returned to Mr R that he transferred after transfer six (£133,402.08), as well as interest and £1,000 compensation.

Lloyds disagreed with the adjudicator's opinion. It said that having a system in place to identify and act on activity such as this would significantly and negatively impact a large group of people who, on the whole, were not the victim of a scam. It provided some data to support - taking one month's worth of customer data from November 2018 (the year after Mr R's transactions), and applying the criteria it said matched the pattern of spending on Mr R's account during the first two days of the scam. The criteria it applied was:

– the customer made 7 or more payments to the same beneficiary within 24 hours of the beneficiary being created;

– the combined value of those payments was £13,500 or more.

Lloyds told us there were a total of 279 unique customers that met the criteria and 811 transactions. None of the customers reported those transactions as fraud.

I understand the point Lloyds is making to be that if -as the adjudicator concluded - it should fairly and reasonably have contacted Mr R when he attempted transfer 7, it should in practice also have contacted around 279 other customers in the same month who were not fraud victims to discuss the activity on their account. It considers this to be an unreasonable expectation.

The adjudicator responded to this point recognising the challenges that come with transaction monitoring. However, she explained that there is an expectation on banks to monitor accounts for suspicious transactions and make contact with customers who are at risk of being scammed.

Lloyds referred to the judge's comments in the case of "Quincecare" [*Barclays Bank plc v Quincecare Ltd [1992] 4 All ER 363*] which it says supports that it is entitled and required to start from a position of trust in its customer and to process legitimate payment requests. It also pointed out that the spending on Mr R's account during the scam was not that unusual when looking at the months prior to September 2017. It explained that during those months Mr R had been making large transfers into and out of his account. So his spending during the scam wouldn't have appeared unusual for him.

Lloyds maintains that there was nothing to distinguish this pattern of payments from many other customers with legitimate life events and to impose a burden on it to pick this up would go beyond legal or regulatory standards.

As Lloyds remained unhappy with the adjudicator's opinion the complaint was passed to me for a decision.

I issued a provisional decision, setting out my thoughts, on 23 October 2019.

In that decision I acknowledged that when considering what is fair and reasonable in all the circumstances of the 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. I remain of the view that these considerations are the relevant ones. I've set them out below:

<u>relevant considerations</u>

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And I have taken that into account when deciding what is fair and reasonable in this case.

But that is not the end of the story:

- The law recognises that a bank may be liable to its customer if it makes a payment in circumstances where it has reasonable grounds (although not necessarily proof) for believing that the payment instruction was an attempt to misappropriate the funds of its customer (known as 'the Quincecare duty').

- Regulated firms like Lloyds are also required to conduct their *'business with due skill, care and diligence'* (FCA Principle for Businesses 2) and to *'pay due regard to the interests of its customers'* (Principle 6).

And as a matter of good industry practice at the time, I consider firms should also have taken proactive steps to:

- identify and assist vulnerable consumers and consumers in vulnerable circumstances, including those at risk of financial exploitation (something recognised by the FCA in recent years and by the British Bankers Association's February 2016 report *'improving outcomes for customers in vulnerable circumstances'*);

- look to identify and help prevent transactions - particularly unusual or out of character transactions – that could involve fraud or be the result of a scam (something also recognised by the British Standards Institute's October 2017 *'Protecting Customers* *from Financial harm as a result of fraud or financial abuse – Code of Practice'*, which a number of banks and trade associations were involved in the development of); and

- in relation to branch transactions – follow the Banking Protocol when available.

This means that there are circumstances, irrespective of the payment channel used, where a bank should, in my opinion, fairly and reasonably take additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm.

This is particularly so in light of the environment created by the increase in sophisticated fraud and scams in recent years - which banks are generally more familiar with than the average customer.

my provisional decision

Having set out the relevant considerations in my provisional decision, I made the following findings:

In this case, I need to decide whether Lloyds acted fairly and reasonably in its dealings with Mr R when he made 43 payments totalling £323,600 to a new payee over a period of two months, or whether it should have done more than it did.

I've set out all the payments Mr R authorised and sent to the scammer below, all made through online banking. I have included the time for the first nine payments, but not the subsequent transactions.

Transfer number	***Date***	***Transfers out***	***Time***
1	*29/09/2017*	*£350*	*17.58*
2	*29/09/2017*	*£350*	*19.59*
3	*29/09/2017*	*£800*	*20.35*
4	*30/09/2017*	*£3,000*	*09.27*
5	*30/09/2017*	*£1,500*	*09.33*
6	*30/09/2017*	*£3,500*	*10.31*
7	*30/09/2017*	*£4,000*	*12.35*
8	*30/09/2017*	*£5,000*	*14.01*
9	*30/09/2017*	*£5,000*	*14.33*
10	*01/10/2017*	*£4,000*	
11	*01/10/2017*	*£4,000*	
12	*04/10/2017*	*£3,000*	

13	*05/10/2017*	*£3,000*
14	*05/10/2017*	*£6,000*
15	*06/10/2017*	*£3,000*
16	*30/10/2017*	*£9,000*
17	*30/10/2017*	*£10,000*
18	*31/10/2017*	*£5,000*
19	*31/10/2017*	*£5,000*
20	*01/11/2017*	*£8,000*
21	*01/11/2017*	*£6,000*
22	*03/11/2017*	*£8,200*
23	*04/11/2017*	*£7,900*
24	*06/11/2017*	*£10,000*
25	*06/11/2017*	*£5,000*
26	*08/11/2017*	*£9,000*
27	*08/11/2017*	*£4,000*
28	*09/11/2017*	*£10,000*
29	*11/11/2017*	*£15,000*
30	*11/11/2017*	*£10,000*
31	*13/11/2017*	*£10,000*
32	*13/11/2017*	*£10,000*
33	*14/11/2017*	*£10,000*
34	*15/11/2017*	*£10,000*
35	*15/11/2017*	*£15,000*
36	*16/11/2017*	*£10,000*
37	*17/11/2017*	*£10,000*
38	*17/11/2017*	*£10,000*
39	*19/11/2017*	*£21,000*

40	*21/11/2017*	*£10,000*
41	*21/11/2017*	*£10,000*
42	*23/11/2017*	*£22,000*
43	*25/11/2017*	*£7,000*

Total £323,600

Lloyds has suggested the spending on Mr R's account during the scam was not that unusual given the activity on his account in the weeks leading up to 29 September 2017. It explained that during the three months prior to the scam, Mr R made a number of large transfers into and out of his account. It said that during this period Mr R received £310,018.31 into his account over a number of transactions. And it said he made 18 large payments from his account during the same period totalling £383,909.13.

Having reviewed Mr R's statements, I don't think Lloyds is quite correct. Based on my review of Mr R's statements, it would appear he made 17 large payments totalling £308,909.13 – £75,000 less than Lloyds has said was paid out.

Nevertheless, I accept Mr R made quite a few high value payments from his account in the months preceding the scam and I have taken that into account when deciding whether Lloyds acted fairly and reasonably. But even if Lloyd's might reasonably have thought the pre 29 September level of activity to be normal for Mr R's account (and I am not persuaded it was given this particular period in time accounted for the receipt of inherited funds, and their subsequent movement), his account activity changed considerably during the period of the scam from the period of activity which preceded it. I say this for the following reasons:

- *During the scam Mr R paid £323,600 to a single payee over the course of 43 separate transactions in a two month period. This is compared to Mr R making 17 large debits to what seems to me to be six different accounts totalling £273,909.13 over a longer period of time, prior to the scam.*

- *During the scam, all 43 payments were paid to the same new payee (another Lloyds account holder). Prior to the scam, the majority of the payments -12 out of the 17 - were paid to payees identified as having Mr R's initial and surname – so they appear to be transfers to Mr R's other accounts and investments.*

- *During the scam between two and six payments were made to the scammer on the same day on 14 separate days. Prior to the scam, between two and three payments were made on the same day on just three occasions.*

- *During the scam the payments to the scammer were smaller and more frequent each day (on the whole), than they had been prior to the scam.*

I think it's also important to look at Mr R's account activity during the first two days of the scam in particular. Again this was different to what had gone before.

On day one, Mr R transferred £1,500 to the scammer in three separate transactions – these payments were made over a short space of time (less than three hours). And by day two, Mr R had transferred a further £22,000 to the scammer, in six separate transactions. Again, the payments were made over a very short period of time (just over five hours).

I can also see that, on the whole, Mr R made corresponding transfers into his account from his other accounts to cover the payments he made to the scammer during those first two days. The transfers between his accounts, to pay the scammer, were also made on the same day the money was paid. This is another distinction between Mr R's account activity during the scam compared with his previous account activity.

In my view a clear pattern had emerged by the time the third payment was made on day two of the scam. This is because the payments on the second day followed a similar pattern to the payments made on the first day of the scam – but with the payments being made in quicker succession and of an increasingly large value.

In my mind all of these changes during the period of the scam amounted to unusual account activity for Mr R. As I've set out above, I consider that at the time the scam took place it was good industry practice for banks to be alive to and on the lookout for fraud, and I am satisfied this unusual activity ought fairly and reasonably to have prompted Lloyds to make additional checks when Mr R attempted to make the fourth payment on day two (transfer number 7), notwithstanding Mr R's previous recent account history which Lloyds has drawn my attention to.

The British Standards Institute's Protecting customers from financial harm as a result of fraud or financial abuse – Code of practice (the BSI Code) gives recommendations to organisations for protecting customers from financial harm that might occur as a result of fraud or financial abuse. It also gives guidance on how to recognise customers who might be at risk, how to assess the potential risks to the individual and how to take the necessary actions to prevent or minimise financial harm.

I recognise that the BSI Code was only introduced on 31 October 2017, so it came into force after some of the payments had already been made by Mr R (although more than £243,000 left Mr R's account after that date), and I also recognise that Lloyds was not itself a signatory to the BSI Code.

But I consider the BSI Code was in any event a reasonable articulation of what I consider to have already been good industry practice by the time Mr R made the initial payments and of the kinds of practical steps businesses might fairly and reasonably take. I don't think the BSI Code suggested wholly new practices.

Among other things, the BSI Code said – and I consider this to have been good practice – that businesses should have measures in place across all payment channels and products to detect suspicious transactions or activities that might indicate fraud or financial abuse. And it gave examples of what might amount to suspicious activity on customer accounts:

a) multiple chequebooks;
b) sudden increased spending;
c) transfers to other accounts;
d) multiple password attempts;
e) logins from new devices, multiple geographical locations;
f) sudden changes to the operation of the account;

g) a withdrawal or payment for a large amount;
h) a payment or series of payments to a new payee;
i) financial activity that matches a known method of fraud or financial abuse

In Mr R's case I'm satisfied:

- *There were sudden changes to the operation of Mr R's account – as I explained earlier Mr R's account activity during the scam was different to the months preceding the scam. And I'm satisfied that change was evident as soon as the second day of the scam.*
- *A series of payments were sent to a new payee – 43 individual payments were made to a new payee (the scammer), nine of which occurred over the first couple of days.*
- *The account activity was consistent with a known method of fraud – I think the number of payments made to the scammer over a short period of time formed a pattern consistent with the possibility of fraudulent activity.*

And I'm also satisfied that Lloyds ought fairly and reasonably to have done more and investigated the payments.

In response to the adjudicator's view, Lloyds said there is nothing to distinguish the pattern of payments on Mr R's account during the scam from many other customers who want to make legitimate payments. It's said it would impose an unreasonable burden on it to pick up this kind of activity and this would go beyond legal or regulatory standards.

While I accept there is a balance to be struck between identifying payments that could potentially be fraudulent – and then responding appropriately to any concerns – and ensuring minimal disruption to legitimate payments, I do not think that means Lloyds acted fairly and reasonably in Mr R's case.

I'm satisfied the pattern of transactions meant Lloyds should reasonably have made additional checks at an early stage. And I do not think the fact that, applying the same criteria, Lloyds would have had to contact other customers (who were not scam victims), means that it acted reasonably in this case.

And even if I were persuaded by Lloyds' representations about the unreasonableness of expecting it to contact other customers with similar transaction patterns (which having considered them carefully, I'm not), I think is notable that Lloyds didn't take action at any point, even much later when few if any customers' accounts would show similar patterns.

Ultimately, how Lloyds chooses to configure its fraud detection systems given those competing concerns, is ultimately a matter for it to decide. But the question I need to consider here is: based on all the circumstances of this complaint, whether Lloyds ought fairly and reasonably to have done more in Mr R's case – whether its fraud prevention systems detected the payment or not. And taking all of the above into account, I think Lloyds should reasonably have taken additional steps, and if it had done, it is more likely than not that those checks would have prevented Mr R from being an ongoing victim of the scam at an early stage.

And as I've already explained, I think the point Lloyds ought to have made those additional checks was when Mr R attempted to make the fourth payment on day two (transfer number 7).

The new payee (the scammer), had only been set up the day before, and had already been used for three payments on the first day. The payments on the second day then followed a similar pattern – but with the payments being made in quicker succession (09:27, 09:33 and 10:31) and of an increasingly large value. This was unusual activity for Mr R – so these payments should've flagged that unusual account activity was occurring, and Lloyds ought to have taken action at this point.

Had Mr R not made the payments he made in the three months before he was the victim of a scam, I might have concluded Lloyds should have had concerns slightly earlier.

Lloyds has argued that had any of the transactions been flagged, as he was the genuine customer, he'd have been able to answer the relevant security questions and would've confirmed he wanted to complete the transactions. But I'm satisfied that Lloyds ought fairly and reasonably to have done more than just ask whether Mr R wanted it to process the payment in order to satisfy itself that Mr R intended to authorise the payment.

The BSI Code recommends that organisations should have a process in place to ensure that staff make contact with the customer to verify the financial activity, challenge its authenticity, explain the nature of the suspected or detected fraud and discuss an appropriate plan of action.

As I've set out above, I'm mindful of the limits of the relevance of the BSI Code to this complaint. But I am in any event satisfied that as a matter of good practice Lloyds should also have made enquiries about the purpose of the payment/payments with Mr R. And in addition, given the pattern of the payments, I think Lloyds should have alerted Mr R to the fact this activity was typical of fraudulent activity, and warned him he might be the victim of a scam.

Had Lloyds spoken with Mr R before it processed transfer number 7 (the fourth payment on 30 September 2017) - and asked him some questions about who he was transferring the money to, the reasons why, and the fact his account activity reflected typical fraudulent activity, I think it's more likely than not it would've dawned on him that he was being scammed. And as a result, I don't think he'd have transferred any more of his money to the scammer.
Mr R has explained that he had some suspicions about the requests he received and I don't think it would've taken much for Lloyds to 'break the spell' Mr R was clearly under, in the same way it didn't take much for his IFA to convince Mr R he was being scammed. I'm persuaded contact from Lloyds – the broad content of which I've set out above - would've quickly cemented his suspicions, and deterred him from sending any more money to the scammer.

I have thought about whether Mr R could be said to have failed to mitigate his losses given his suspicions from the start of the scam. But Mr R has told me he asked the scammer numerous questions about what the money was for, and he also sometimes asked for evidence to demonstrate he was paying for the items the scammer had disclosed (such as an invoice for alleged van hire).

And when thinking about whether Mr R acted reasonably in the circumstances, I am mindful Mr R has described himself as vulnerable. Mr R told me he's been vulnerable throughout his life having suffered from cancer as a child, losing his mum to cancer when he was 17, and then watching his dad, who Mr R describes as his only and best friend, die from cancer a year before the scam took place.

Having considered what Mr R has said and the circumstances of the scam, I think it is more likely than not the scammer preyed on Mr R's vulnerability – offering to meet him and cook him dinner - which in Mr R's mind would go a long way to combat his loneliness. Mr R also told me he was relatively reassured he'd get his money back because the scammer had entrusted him with explicit photographs of herself, and provided him with the name and address of a relative who she told him would pay him back. Mr R was the victim of a sophisticated and cruel scam. And while Mr R quite clearly regrets ever sending any money to the scammer, I'm persuaded he took reasonable steps to reassure himself of his actions at the time, particularly when considering his vulnerable state.

For all the reasons I've explained, I think it's fair and reasonable, in the particular circumstances of this complaint, to say that Lloyds ought to have done more to help Mr R. Had it done so, I'm persuaded Mr R wouldn't have suffered as much of a loss as he has and he would've stopped paying money to the scammer after two days and six transactions, rather than two months.

Finally, I've considered whether Lloyds should fairly pay Mr R more compensation for the distress and inconvenience he's experienced as a result of Lloyds' actions. Lloyds has already paid Mr R £500 in recognition of the distress and inconvenience he's experienced as a result of its actions. It has also offered to pay Mr R another £650 on top of this.

In considering what's fair compensation, I've specifically thought about the impact of Lloyds' actions, rather than the impact of the crime itself. Lloyds' failure to act, or take Mr R seriously when he initially reported that he'd been the victim of a scam in November 2017 has had a lasting impact on him. As I've explained, Lloyds had an opportunity to prevent the continuation of the scam on day two. And on top of this it could've taken action when Mr R reported the scam in November 2017 – yet it didn't until January 2018. Lloyds offered further compensation to Mr R as late as July 2018. This has meant that Mr R has continued to converse with Lloyds over a long period of time. The back and forth, the fact an agreeable resolution to the complaint hasn't been reached, and Lloyds' view that it couldn't have done more to prevent him being the ongoing victim of a scam, has left Mr R feeling increasingly let down, and unable to move on from what's happened. For these reasons, I think Lloyds should pay Mr R a further £1000 in compensation, (in addition to the £550 it has already paid).

<u>responses to my provisional decision</u>

Mr R accepted my provisional decision. Mr R provided some further evidence to demonstrate his account activity was unusual during the scam, and he gave further explanation as to the purpose of the payments he made prior to the scam, as well as information on how he typically managed his account.

Lloyds has not accepted my provisional decision. I've summarised its key points below.

- Lloyds is sympathetic to how the scam must have made Mr R feel but this should not outweigh the actions taken by Mr R and Lloyds as the scam unfolded.
- Lloyds continues to be of the view the transactions in question were not seen as out of character and were typical of Mr R's genuine spending during the three months prior to the scam. Mr R set up a new payee which was confirmed as genuine.

- There is a need for a balance between identifying payments that could be fraudulent and responding appropriately to these, but also ensuring minimal disruption to legitimate payments.
- Lloyds firmly believes that in order to flag the transactions for further checks there would be significant disruption to many other customers making legitimate payments.
- Lloyds knew nothing of Mr R's circumstances or the story behind the payments, so it was reasonable to believe the payments were genuine. Lloyds believes that only with the benefit of hindsight would it become apparent that the payments may have been part of a scam.
- Lloyds doesn't think contact with Mr R during the initial days of the scam would have made a difference. It has said it can't determine a clear rationale (in my provisional decision) that engagement from the bank would have brought about a different outcome. This is because it believes Mr R would have seen the payments as genuine and he would have answered any questions appropriately.
- Lloyds says that with the information available to it, Mr R may only have become aware of the situation following a visit to his IFA and a number of broken promises by the fraudster.
- Lloyds doesn't think it should be held liable to refund £133,402.08.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I remain of the view that this decision should be upheld in part, for the reasons set out in my provisional decision, which I have reproduced above, and which now forms part of this final decision. I'm not persuaded by the further comments Lloyds has made, and I believe I've already dealt with them in my provisional decision.

Nevertheless, I'd like to make some further points.

I simply disagree with Lloyds' view that the transactions in question weren't seen as out of character and were typical of Mr R's genuine spend in the three months prior to the scam. I set out the reasons why I considered this to be the case in my provisional decision.

I explained why I thought Mr R's account activity changed considerably during the period of the scam from the period of activity which preceded it. And I explained why, in particular, the account activity during the first two days of the scam was different to what had gone before, and in my view reflected typical fraudulent activity.

I don't have anything further to add on this point, other than that it's disappointing that in its response to my provisional decision, Lloyds still doesn't appear to accept that it should have intervened at any point. In my opinion the question to answer was never whether Lloyds should have intervened, but when – and I think that ought fairly and reasonably to have been before it processed Mr R's seventh payment (as I explained in my provisional decision).

Lloyds has also said it doesn't think contact with Mr R, during the initial days of the scam, would have made a difference. It's said that Mr R would have seen the payments as genuine, and would have answered any questions appropriately. It adds that Mr R may only have become aware of the situation following a visit to his IFA and broken promises by the scammer.

I disagree with Lloyds. As I explained in my provisional decision, Mr R had suspicions from the start of the scam. Because of these suspicions I remain of the view that it wouldn't have taken much for a third party, unaffected by the spell of the scam (such as his IFA or Lloyds), to break the spell Mr R was under at the time. I remain persuaded that had Lloyds got in touch with Mr R and made enquiries about the purpose of the payments, alerted him his account activity was typical of fraudulent activity, and warned him he might be the victim of a scam, Mr R's suspicions would have increased to such an extent that the spell he was under would have been broken, and he wouldn't have sent any more money to the scammer.

my final decision

My final decision is that I uphold Mr R's complaint about Lloyds Bank PLC in part.

For the reasons I have set out above, I've found that Lloyds doesn't have to refund the first £9,500 Mr R paid to the scammer (transfers 1 to 6). Lloyds has already refunded £180,697.92 of the £323,600 that the scammer took from Mr R. That leaves £133,402.08 outstanding.

So I require Lloyds Bank PLC to:

- Refund the first £133,402.08 (starting from transfer 7). Lloyds should pay interest on each transfer at the rate applicable to the savings accounts the money originally came from, from the date it was transferred out of the savings accounts to the date of reimbursement.
- Pay £1,000 compensation, in addition to the £550 already paid, for the material distress and inconvenience Mr R has experienced.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 21 December 2019.

Katie Doran
ombudsman