

The complaint

Ms P complains that Lloyds Bank PLC failed to refund the full loss of her funds after being the victim of a scam.

What happened

What Ms P says

Ms P is represented in this complaint and explained that a close family member received a call from a company about shares they held in a major utility supplier based in the UK. After discussing the call with her relative, Ms P called the company back on an international number and spoke with a representative of a company I'll refer to as J.

J explained they were working for a client who was involved in a hostile takeover of the utility company and were trying to purchase a controlling percentage of the shares to support their takeover.

Ms P described how J were very convincing about the deal they were working on and spent time explaining the process of acquiring her relative's shares. Her relative was required to sign a non-disclosure agreement (NDA) if she wanted to proceed. Ms P carried out research into J by checking their host countries regulators and didn't find anything negative about them.

The NDA was sent to Ms P who arranged for her relative to sign it and sent it back to J with an authority for Ms P to represent her relative. Ms P also carried out further research into the possible takeover of the utility company and found some articles on the web that indicated there had been various discussions it some years earlier.

The next step, as explained to Ms P, was to sign a contract and pay for an insurance "bond" which was needed to protect Ms P and her relative from issues with the acquisition falling through because she was told it could take 1-2 years to complete. Ms P was told that she would have to pay about £5,000 for the bond.

Shortly after sending the NDA back, another representative of J arranged to call her and in that conversation told Ms P that her relative held over 4,000 shares. Ms P was told that the buyer was going to pay between £10-£13 per share. Ms P has said she questioned the amount because it was so high and was told that the buyer was very wealthy and the purchase would offset other tax payments they had to make, so could afford to set such a high price.

Ms P was sent a contract and after examining it to check it was authentic, arranged for it to be signed by her relative. She also sent two forms of ID that had also been requested by J. She later received an email confirming receipt of the documents.

Ms P was told that the indemnity bond would be provided by another company I'll refer to as C. Ms P carried out research into them, saying "... not see anything which would indicate

they were not legitimate.” Ms P then arranged to make the payment to C using her mobile banking facility.

This payment was to an international account in a different part of the world and several days after attempting it, Lloyds contacted Ms P, asking her to call. It turned out that some of the details were completed incorrectly. Ms P described a discussion with Lloyds about the payment and her representatives described it as:

“Your bank asked what the payment related to as she had never made an international payment before. Your customer honestly answered and informed you that she was selling shares and the payment was for an indemnity bond. Your customer did not give your bank any further information as she had signed the non-disclosure agreement. Your bank asked your customer whether she had carried out any checks on the company and she advised that she had done her due diligence. Your bank asked no further probing questions and released her large international payment capability and alarmingly confirmed she was able to make future international payments.”

The payment was released, and Ms P received a call from J who told her that she would be dealing with a different company who were handling the acquisition, I’ll refer to them as Y. Ms P said she carried out extensive research into Y and couldn’t find anything negative about them. She later received a call from a representative of Y who I’ll refer to as G.

Over the following months, G spoke at length with Ms P on numerous occasions, building trust and giving personal details about her “private” life. Ms P said G was knowledgeable and helpful throughout the process, giving comprehensive explanations for what was happening.

G informed Ms P that the utility company had been informed of the hostile takeover and there were now 3 million shares available for purchase. Ms P said she carefully considered this and later said she would purchase 10,000 of them.

Her representatives explained that Ms P used some of her own funds and also “borrowed” funds from her family to make these purchases. About two weeks after making the bond payment, Ms P paid £39,999.75 to an international account after querying why it was being sent to this other country. She was told it was to an “escrow” account and had certain tax benefits. Ms P was satisfied with the answer she was given and made a further payment on the same day of £9,992.50 for additional shares.

Ms P then described how she had second thoughts about these payments and wanted to recall them so she could send them to a charity she wanted to support. Ms P contacted Lloyds about them who discussed the process to recall the payments. Ms P also informed G about her wish to recall the payments. G told Ms P that this would cause her personal difficulties if the deal fell through and eventually Ms P agreed not to cancel the payments.

Ms P informed Lloyds that she was happy to continue with them and the payments were fully processed. G wanted Ms P to purchase more shares, and Ms P described how this would allow her to meet her goal of helping others less fortunate than herself and her family, so made two further purchases of shares for £35,000 and a few days later £21,994. Ms P was told by G that she wouldn’t be liable for tax on these purchases, but a few days after making the last payment she was called by another representative from their “legal department” who told Ms P that she owed £212,000 in tax.

Ms P was told that an existing tax treaty between the UK and their country meant that she would have to pay the funds and referred her to an official tax form. After looking into the situation, Ms P was convinced this was a legitimate tax liability.

Over several discussions the “legal representative” offered to reduce the tax bill, highlighting that because Ms P was investing for charity, they would try and help. Ms P was eventually told that they (Y) would loan her 75% of the tax bill if she paid the remainder. Ms P described how she was worried that without paying these funds, she wouldn’t be able to realise the purchase of the shares. So, not having the funds herself, Ms P made an electronic loan application through Lloyds for £25,000 and together with contributions from the other family members, made the “tax” payment of £53,218.68. This took place about three weeks after the last “investment”.

Ms P was later told by J that she had to pay a further penalty because her tax payment was late. J subsequently told her that as they were responsible for the late payment, Ms P wasn’t required to make any further payments. Then, about a month after the last payment, Ms P received a document purporting to be from the Treasury department of the country where the shares were being administered. This said she was to receive about £700,000 from the shares she’d purchased and was required to make a further payment of £5,000 for bank charges before the release of the funds, which she paid.

Ms P was told to be at home on a date about two weeks after this payment was made to receive the share transfer documents, but no delivery was made. Ms P approached the delivery company who couldn’t find any record of the package. Ms P then realised she’d been scammed. Ms P described how she tried, without success, to contact Lloyds for several days before she was eventually able to speak with their fraud team. Ms P said she was given misleading information by Lloyds who treated the issue as a “dispute”, rather than a fraud. Ms P said she wasn’t assisted by Lloyds and complained. Lloyds offered to refund Ms P 50% of her losses plus interest amounting to £85,095.95 and £100 compensation for the poor service she received.

Table of relevant payments:

Date	Payment	Amount (£)
19/05/21	Bond from Ms P	£5,842.88
03/06/21	From family member	£40,000
04/06/21	Share payment	£39,999.75
04/06/21	From family member	£10,000
04/06/21	Share payment	£9,992.50
15/06/21	From family member	£35,000
15/06/21	Share payment	£35,000
16/06/21	Transfer into account	£9,966.80
17/06/21	From family member	£2,500
17/06/21	(laptop)	£2,000
17/06/21	From family member	£21,994.00
01/07/21	Share payment	£5,500
01/07/21	From family member	£7,500
02/07/21	From family member	£5,047
05/07/21	Branch deposit	£25,000
06/07/21	Loan	£4,992
08/07/21	Branch deposit	£53,218.68
10/08/21	“Tax payment”	£5,000

Note – dates taken from statement

Various foreign transfer fees not included.

What Lloyds said

Once Ms P had brought the scam to their attention and made a complaint, they assessed the situation based on the relative actions of each party. They considered that there were several factors which should have given Ms P pause about the offer she was being given, that:

- Ms P didn't check with the utility company in the UK about the take-over or query how J knew her relative's details.
- J weren't listed at the address they said they worked from.
- The circumstances of a firm contacting a UK customer from abroad is unusual and to then offer 3 million shares as part of a hostile takeover seems unlikely. Lloyds don't believe Ms P queried this or sought financial advice.
- The various firms Ms P was dealing with aren't registered on the regulator's site.
- J weren't registered with the UK regulator.
- It was a red flag when G used her personal circumstances to convince Ms P to stop the recall of the payments and to continue investment.
- The offer to "loan" Ms P 75% of the tax payment should have been a red flag.
- Ms P said in one of her emails that "part of me had a feeling this was too good to be true but please prove me wrong". This shows Ms P had a gut instinct that something was amiss – but made the final £5,000 regardless.
- One of the share documents was factually wrong but was never queried.
- Ms P was adamant that the offer was legitimate when she spoke with Lloyds and her years of experience in law meant she knew how to spot a scam. Ms P gave no cause for concern to the Lloyds fraud employee that would have stopped them from making this payment.
- Lloyds don't believe the health conditions and stresses mentioned by Ms P were a reason for Ms P to be unaware of what she was doing. Lloyds described Ms P as "confident" when they've spoken with her.

Lloyds accepted they could have done more but they also thought that Ms P contributed to her own losses. Lloyds didn't apply the Contingent Reimbursement Model (CRM) principles because the payments were to international accounts and outside the scope of the CRM.

Lloyds had attempted to retrieve the funds but were unsuccessful.

In their final response to Ms P, Lloyds advised her that they were paying £100 compensation for the service she'd received and £85,095.95 including interest which was 50% of her losses. They believed that Ms P should be responsible for the remaining 50%.

Ms P was left unhappy with Lloyds's solution, so brought her complaint to the Financial Ombudsman Service for an independent review.

The investigation so far

An investigator was assigned to look into Ms P's complaint and asked both parties for information about the situation. Ms P's representatives provided detailed commentary about what had happened and some of the paperwork that was involved in the scam.

Ms P's representatives believed that Lloyds had missed several opportunities to intervene due to the unusual nature of the payments being made from her account. They also believed Lloyds shouldn't have given Ms P the £25,000 loan and they'd failed her, mentioning various rules/regulations and obligations they had to their customer.

They also believed that a previous head injury suffered by Ms P some years earlier contributed to her decision to make the payments.

The representatives said that Ms P had borrowed funds from her family members for this investment, but also that she'd told one of them about this opportunity who invested money through Ms P. That payment was for £2,500 and is marked on the statement as "laptop".

Ms P was caring for her parents at the time and it was felt that the additional stress caused by their conditions, the Covid outbreak and her long-term aspiration to help those less fortunate than herself contributed to her being swept up in the scam.

Her representatives advised that Ms P hadn't sought legal advice because of her own experience in that field and believed that the sophisticated language employed in their documentation and the NDA were evidence that they were legitimate.

Her representatives argued that Lloyds had treated the initial issue as a dispute and had directed Ms P to the beneficiary banks to sort the problem out herself, causing further distress. It was argued that Ms P had a sufficient belief that the investment opportunity was genuine because:

- The scammers knew personal information about her relative and that she held shares with the utility company.
- There was no negative information about the various entities she was dealing with.
- The NDA and the contract seemed authentic.
- Forms of ID were asked for adding to the authenticity of the arrangement.
- The scammers introduced each new person she was to deal with, which she was told was to help prevent her from being scammed.
- Ms P researched the phone numbers and they appeared to be from the relevant area of the foreign city she was expecting.
- The address given by the scammers was prestigious, giving confidence to Ms P that they were legitimate.
- The scammers worked on a personal level to build trust with Ms P, contacting on a daily basis over the four-month period of the scam.
- Ms P had researched the hostile takeover of the utility company.
- The scammers were able to answer all Ms P's questions confidently, including why an "escrow" account was being held in a different part of the world.
- Ms P was sent official looking documentation which helped to convince her the requests for further funds was legitimate.

Overall, it was argued that Lloyds had failed Ms P and they could have intervened on several other occasions due to the unusual nature of the payments moving through her account, including the recall of some of the payments. Also, that her personal circumstances and previous medical issues contributed to the payments she made.

After considering the evidence, the investigator thought that Lloyds had failed to prevent the

losses and recommended they refund the remaining payments made by Ms P.

Lloyds disagreed with the outcome and reiterated that they thought Ms P had contributed to her own losses and should bear some of the responsibility. The investigator considered the points made by Lloyds (which was a repeat of their earlier position) and didn't think that Ms P's approach to the investment scam was unreasonable. In summary he said that:

- The personal knowledge the scammers had about Ms P's relative would have given her confidence they were legitimate.
- The lack of negative information related to the research carried out by Ms P was another factor that persuaded her that the offer was legitimate, including finding articles about such a takeover.
- It was unreasonable for Ms P to be expected to carry out an address search of the companies involved.
- She did carry out some telephone checks which showed the correct area code.
- Ms P received official looking documentation from the authorities, further persuading her that the situation was genuine.

Lloyds asked for a further review of the complaint which has now been passed to me for a decision.

I sought clarification from Ms P concerning the funding of the payments she made. Her representatives advised that Ms P was suffering further medical issues and the length of time since the scam meant her memory may be "blurred". Specifically, I wanted to understand the arrangement between Ms P and the rest of her family concerning the funds she received from them.

Ms P, through her representatives, said that the funds she received from her family were "borrowed" to assist Ms P, rather than to purchase shares on their behalf. Ms P thought that the bulk of the funds were to pay for the tax she owed. Ms P confirmed the loan of the funds was an informal one between family members.

I also wanted to understand why, during a "hostile takeover" (based on acquiring 51% of the shares), that 3 million shares were offered to Ms P (at £1.75 per share), to then be purchased by them at £11.78 per share prior to the completion of the takeover?

Ms P wasn't sure but thought that it was possible the 3 million shares may have been for a different company.

I issued my provisional findings on the merits of Ms P's complaint on 26 April 2023. In my provisional findings, I explained why I intended not to uphold her complaint and offered both sides the opportunity to submit further evidence or arguments in response. An extract of that decision is set out below and forms part of this final decision:

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, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice (including those referred to by Ms P's representatives in their submissions to this service); and, where appropriate, what I consider to have been good industry practice at the time.

There is a voluntary code that applies to APP scams like this one (The Lending Standards Board's Contingent Reimbursement Model Code – the CRM Code). But the CRM Code doesn't apply to payments made to international accounts as they were here, so I can't apply it.

I was sorry to hear of Ms P's loss and the impact this scam has had on her and her family. The first matter I need to address is the authorisation of the payments. It's common ground that Ms P sent the payments from her account to various entities under the guise of a share purchase. So, even though she didn't intend to pay a fraudster, the payments were 'authorised' under the Payment Services Regulations.

Lloyds is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. But, Lloyds also has an obligation to be on the lookout for, and to protect its customers from, potentially falling victim to fraud or scams. This includes monitoring accounts and identifying suspicious activity that appears unusual and out of character. In situations when potential fraud is identified, I would expect Lloyds to intervene and attempt to prevent the loss.

Lloyds themselves conceded that they'd failed to intervene during later payments made by Ms P. Examining the account movements, I don't think it's in doubt that they were unusual, and I would have expected Lloyds to have spoken with Ms P about them when she made later payments, specifically the payment for £39,999.75 (recorded in the statements as 04/06/21) after receiving £40,000 from a family member the day or so before.

Whilst I recognise that Lloyds should have intervened, I also have to take into account the likely outcome of that conversation and whether Ms P contributed to her own losses.

Lloyds spoke to Ms P when her first attempt to send funds failed. The following is a summary of that call.

- *Ms P was asked whether she'd made payments before to the company. She advised that she hadn't and went on to explain the reasons for the payment. Also that she had a long background in the legal profession and that she'd had the documents checked and carried out her "due diligence". She went on to confirm that she's well versed in looking out for scams and that she knew she wouldn't get her funds back (if there was a problem).*
- *Ms P was advised that scams are often initiated because contracts are sent out of the blue for an investment opportunity. Ms P was asked if she'd initiated the contact with the company and confirmed she had.*
- *Ms P told Lloyds that in her own work area she had to protect her client's funds, so was educated about scams and that it was "second nature" to her.*

Having listened to the call, I think it's fair to conclude that Ms P was very confident in her ability to spot a scam because she mentions her own experience several times and that she'd carried out her own "due diligence".

Ms P also confirmed that she'd initiated contact with the company which wasn't the case because it started when her relative was cold called.

I understand why Lloyds wouldn't have gone much deeper into the arrangements for this call. Particularly when considering the stance that Ms P took and the relatively low amount of the payment. I think the presence of the NDA also contributed to the lack of detail.

That doesn't mean that Lloyds's obligations were met regarding the other payments.

Generally, if the payments continued and increased, as they did here, I would expect Lloyds to have intervened and dug deeper. It's difficult to say what the outcome of those conversations would have been, but they would have presented Lloyds with an opportunity to question the arrangement.

Lloyds have already refunded 50% of the losses, so I have to consider if they should refund the remaining 50%, or whether Ms P should shoulder some of them herself?

Did Ms P contribute to the losses herself?

Essentially this complaint revolves around the issue of contributory negligence. Assessed as "A lack of care on the consumer's part that goes beyond what we would expect from a reasonable person".

There's little doubt that Ms P was caught up in a sophisticated scam that operated over several months. I do think there were some red flags that should have alerted her to the possibility she was being scammed:

- *The opportunity originated from a cold call.*
- *The various companies contacting Ms P weren't authorised by their respective country's regulator (despite claiming to represent a client in a "hostile takeover" of a legitimate business worth significant sums).*
- *The articles about the hostile takeover were relatively old.*
- *The genuine company had a warning on their website concerning similar scams.*
- *The basic premise of the offer was too good to be true.*
- *The flow of funds were unusual – the offer was to buy shares, but all that happened was the sending of funds by Ms P.*
- *The handling of the "tax" request was unusual.*

From reading the various submissions about this complaint, it's apparent that the scammers were prepared to answer questions posed by Ms P. But, I think there were some basic elements that I've found difficult to comprehend, particularly given that this wasn't a scam designed to elicit an immediate action by Ms P. This scam took place over several months, giving an opportunity for Ms P to look into the arrangements.

Even without Ms P's experience, I think the fact that it originated from a cold call should have given her pause that the whole offer was suspicious. A basic check with the utility company's website would have shown that scams such as these were being perpetrated against shareholders. Ms P said she found online references to a hostile takeover, but as far as I'm aware these were several years old.

I also think the premise that shares, which I understand at the time were less than £1 each, could be bought for over £11 because it was a tax write off, seems implausible and too good to be true. Ms P was later informed that the utility company were aware of the hostile takeover and there were further shares on offer. Ms P can't remember who offered them and thought it may have been linked to another company, although the evidence already provided doesn't point to that as the likely answer.

I appreciate Ms P has a "blurred memory" of this time, but the documents sent in by her representatives show the additional shares were being offered through the same company she was dealing with. There's no indication that anyone else was now offering shares for sale.

What I found suspicious here was that these additional shares were being offered to Ms P

for £1.75 per share, but she would immediately be paid £11.78 per share by the scammers. This made the prospective profit seem huge, and I've no doubt had an impact on how it was viewed by Ms P. The document totalling up the various payments/share sale showed Ms P was to receive over £700,000.

Ms P said she carried out extensive due diligence and couldn't find anything negative about the various companies she was dealing with. But here the premise was that a wealthy client was attempting the hostile takeover of a large utility company (whose net worth was in the £ billions at the time of the scam), so I would expect that any other business involved in it would be properly regulated. It's inconceivable that any legitimate business working in this highly regulated field on behalf of such a client wouldn't be regulated, but as far as I'm aware, no registration was ever seen. That's because these companies were fictitious and appear to be set up as part of the scam.

The original offer was to buy shares – which, with the most basic assessment meant that one party has the shares and the other wants to purchase them. That would mean the purchaser sending money to the shareholder in exchange for the shares. That wasn't the case here as funds flowed only from Ms P to the scammers.

Ms P was told that no tax was payable, but this later changed to a tax bill of about £200,000. The change in position was startling, but this seemed to have been explained away by the scammers to Ms P's satisfaction. The later offer to "loan" 75% of the tax bill was I think unusual and there's no agreement between Ms P and the scammers that details this. It seems odd for a legitimate business to make such a demand when this hadn't already been discussed/agreed in the earlier talk about the arrangement to sell the shares.

I think, by this time, Ms P was focussed on receiving the payment for the shares, so was probably more susceptible to these requests for more funds whether they be for "tax" or charges for sending the share certificates. I do think the pressure put on her was substantial, given the explanation of the conversations she had with one of the scammers. I thought the reasons given for some of the payments – particularly the personal reasons given by one of them to persuade Ms P to stop the recall of two of the payments was suspicious. That's not something I would expect a professional advisor to discuss with their client. I would have thought if Ms P was concerned about the payments, she would have taken more time to understand the situation she was in.

Ms P also complained that Lloyds gave her a loan for £25,000 which was applied for using their online system. As they've already refunded more than that, I don't propose to further consider it at this point.

Overall, I think there were enough red flags to give Ms P pause about the whole offer. I do think she contributed to her own losses and should be responsible for 50% of them. I accept she was the victim and has suffered because of it. I understand her health has suffered and she was dealing with an old accident at the time. But, I don't think these are factors that would reduce the 50% contribution I think is both fair and reasonable for her to be responsible for.

As Lloyds have already accepted their part in the losses and repaid 50% plus interest and £100 compensation for their handling, I'm currently of the opinion that I won't be asking them to do anything further.

My provisional decision

I'm currently minded not to uphold this complaint.

I invited Ms P and Lloyds to give me any more evidence and information they wanted me to consider before issuing my final decision. Lloyds didn't have anything further to add. Ms P, through her representatives said:

- The threshold for the red flags goes beyond what would be required from a reasonable person.
- Ms P didn't have the requisite knowledge to be able to identify that the hostile takeover was a concern or that the average person would immediately see this as a concern.
- The articles referred to are historic but provided Ms P with a reasonable basis for believing the scam.
- The scammers mimicked expected corporate practice and provided sophisticated contracts and non-disclosure agreements.
- Ms P carried out the "utmost check" regarding the scammers and no negative information could be found about them.
- Ms P didn't consider the price differential of the shares because she was a lay person who had been provided with extensive information.
- Ms P carried out her due diligence when faced with a tax request.
- The bank are the experts, not Ms P, so should be held liable for failing to protect the remaining losses.
- Lloyds failed to respond in time and this allowed them to delay the complaint. The representatives referred to a section of the regulations relating to an Ombudsman's considerations into the timeliness of a respondents (Lloyds) response to requests for information. The representatives believe it was unfair to allow the bank this time when they believe Ms P would have been penalised for a similar delay.
- Ms P should receive a full refund.

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, and as neither party had anything further that would change my opinion, I see no reason to reach a different conclusion. So, this final decision confirms the findings set out in my provisional decision.

I will address those points raised by Ms P's representatives where I feel it would be helpful to further explain my thoughts and answer any new points raised:

Threshold

I've considered the additional arguments made by Ms P's representatives and I'm afraid my assessment is different to theirs. I don't think the threshold expected here has been set too high. There were several factors here which a reasonable person should in my opinion, have raised suspicion about the whole offer. I've already listed them in my provisional decision and don't intend to repeat the list here.

Hostile takeover

Ms P's representatives argued specifically that the hostile takeover articles were of relevance, even though they were several years old. But here, as I've already mentioned, the legitimate company who were subject to these historic articles also had a warning about them on their website which I think a reasonable person would have checked as one of the

first acts of due diligence. I don't think old articles were particularly persuasive in the context of what Ms P was being told. It was a relatively straight forwards process to determine that scams of this kind were prevalent and linked to the "hostile takeover".

Documentation

I don't doubt that the documents provided to Ms P were authentic looking. But, the basic premise of the "offer" was suspect. As I've already mentioned, the flow of funds was unusual based on the offer to buy shares, but no money was ever received. Money only flowed towards the scammers who seemed to be able to offer additional shares when they'd already told Ms P their "client" was trying to obtain enough to takeover the legitimate company.

Checks

It's been reiterated that Ms P carried out extensive checks on the businesses overseas and their addresses etc. It's been said that Ms P couldn't find anything negative about them. I accept that, but the overriding issue regarding the companies was that there were no legitimate registrations with any of that country's regulators. That's because they appeared to have been created specifically for the scam and were fictitious. I'll reiterate here that I think it highly suspect that a legitimate takeover would involve companies that weren't regulated.

Share Price

Whilst Ms P received various explanations and documentation concerning the share price offer, the very fact that Ms P was offered the opportunity to sell shares at such an inflated price and then to be able to buy more shares at a much-reduced price to be immediately re-purchased at the hugely inflated price was, in my opinion, too good to be true. Ms P was being offered a price that was roughly 1000% above the current value of them.

Tax

I do accept that Ms P looked into the tax demand, but here the situation had changed from being advised that no tax was payable to then being told she owed in the region of £200,000. The change in position was startling and for the company to then offer to "loan" 75% of the tax bill to Ms P was in itself suspicious. Ms P didn't, as far as I'm aware, see any documentation about such a loan. I just don't think it's plausible to believe a legitimate company would operate in such a way. It was clearly an attempt to take more money from Ms P and I'm sure at that point she was focussed on obtaining the full value of the shares.

Timeliness

Ms P's representatives have argued that it was unfair to allow Lloyds additional time to provide documentation when the same courtesy wouldn't have been afforded to Ms P. As far as I'm aware, both parties have had opportunity to provide information in consideration of the complaint. Lloyds did take a little longer responding to the investigator's outcome and asked for an extension, which then required further communication. As far as I can see, there were no overly long delays caused by Lloyds due to their inactivity. Regarding her representative's comments about what they think would have happened if the situation was reversed – as this didn't happen, I don't think a theoretical situation is relevant here.

Overall, Ms P was ultimately the victim of a cruel scam that was perpetrated against her using information about a close family relatives share holdings. She received a 50% refund from Lloyds when they accepted they could have done more to prevent further losses. But, I

do think there were sufficient red flags present throughout the complaint that Ms P should have questioned the arrangement she was being offered. I think it's both fair and reasonable for Ms P to be responsible for 50% of her losses and I won't be asking Lloyds to make any further payment towards the complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 30 June 2023.

David Perry
Ombudsman