

The complaint

Mr V complains that ICICI Bank UK Plc didn't do enough to prevent him losing money to what he says was a scam.

Mr V has used a representative to help bring his complaint. But, for ease of reading, I'll mostly just refer to Mr V where I also mean his representatives.

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.

In 2021 Mr V decided to invest in a company I'll refer to as 'N'. As a result of this he made a payment for £20,000 from his ICICI account to the details he'd been provided with. The loan note from the time shows that he could expect 12% interest per annum with interest payments being made half yearly. It appears from companies house that N went into administration in August 2021.

In December 2022 Mr V complained to ICICI. He alleged they'd not done enough to protect him from a scam. In summary ICICI didn't think they'd done anything wrong. They've also said that they don't believe N were operating a scam as alleged. The matter was referred to our service and one of our Investigators didn't recommend it should be upheld. In summary she wasn't persuaded that N had 'scammed' Mr V. She also said that even if ICICI ought to have done more when Mr V had instructed the payment, she didn't think this would've made a difference.

Mr V didn't accept this outcome and has asked for an Ombudsman to review his complaint.

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 outcome as our Investigator and for largely the same reasons. I know this will be disappointing for Mr V, so I'll explain why.

In the circumstances of this complaint there is no automatic right to a refund from a bank where a payment is made as a result of an alleged (or even proven) scam. So for me to be able to fairly uphold this complaint, I'd need to be persuaded that both N were operating a scam and that ICICI failed in such a way that it caused Mr V's loss. That is, but for an error by ICICI, Mr V wouldn't have lost the money he did.

Mr V has made detailed submissions as to why he believes N were operating a scam, and I've considered all he's sent in. And whilst I appreciate some of the wrongdoing he has alleged, I've not seen enough evidence to persuade me that on balance, N's intention when

taking the money, was different to what Mr V expected. That being that there was no intention from the start to return his money or pay interest in line with the loan note. So as I think it's more likely than not that Mr V's payment went towards an investment that failed, rather than a scam, there is no reasonable basis upon which I could've expected ICICI to have intervened in a legitimate payment.

But even if I'm wrong on that point, and it could conclusively be shown that N were operating a scam, this wouldn't change my mind as to the outcome of this complaint. The debate about the legitimacy of N has arisen with the benefit of hindsight, administrators reports and further information that has come to light as time has passed. But at the relevant time (when Mr V made his payment) almost all of this information wouldn't have been available.

The signed loan note indicates that Mr V acknowledged he was a sophisticated investor and that he may have no right to complain (about N) to either the Financial Conduct Authority or our service. N at the time were listed on a legitimate stock market and I don't think any reasonable level of scrutiny, questions or warnings could've uncovered concerns at the time. The loan note doesn't indicate that the investment was presented as regulated when it wasn't. And even if he'd been prompted to have done more research before going ahead, I've not found anything from that time to support that N was anything other than a genuine business. So even if ICICI 'had' done more at the time of the payment, I'm not persuaded this would've prevented Mr V from going ahead or ending up in a meaningfully different position.

So whilst I'm sorry Mr V is at a loss, as I don't think this is something ICICI are responsible for, there isn't a reasonable basis upon which I can require them to do more to resolve this complaint.

My final decision

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 14 April 2025.

Richard Annandale
Ombudsman