

## The complaint

Miss A complains that ICICI Bank UK Plc (ICICI) won't refund money she paid to an investment.

## What happened

*What Miss A says:*

On 16 May 2018, Miss A made a faster payment for £60,000 in connection with an investment in a company (which I will call 'A'). She spoke to a branch of ICICI and emailed the payment instruction to the branch.

Date	Payment	Amount
16 May 2018	Money transfer	£60,000

A had been incorporated in November 2015 and was subsequently dissolved in October 2023. The notice of striking off was made in December 2020.

Miss A says the investment was into loan notes. She didn't receive any interest or dividends from A and has now lost the money. She complained to ICICI in November 2023 – through a third-party firm of solicitors.

She said ICICI should've intervened and protected her. The company A had a long history of creating companies, engaging investors and then filing for bankruptcy. She says she is not a high net worth individual and the losses were a significant percentage of her savings. Her banking history should've alerted ICICI to the unusual nature of the payment.

She says ICICI should refund the money she's lost, plus interest at 8% per annum and compensation of £1,000.

*What ICICI said:*

The bank said:

- The payment was made in branch.
- The bank verified the details of the payment and asked Miss A about the purpose of the payment. Miss A explained - she was going to get a better return compared to bank deposit rates.
- The bank made the payment in accordance with Miss A's instructions; it wasn't for the bank to concern itself with the wisdom or risks of the payment decision.

*Our investigation so far:*

Miss A brought her complaint to us. Our investigator didn't uphold it. He said:

- He was satisfied that ICICI asked questions of Miss A and she went ahead anyway.
- Miss A had made the payment via a money transfer request and had also signed a mandate form authorising the bank to accept email or phone instructions.
- She also visited a branch of ICICI and was asked about the payment – and she said it was to get better returns on her money.
- ICICI could not have been expected to have known that company A was going to be dissolved or that the investment would fail.

Miss A asked that an ombudsman look at her complaint, and so it has come to me to make a final decision.

### **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'm sorry to hear that Miss A has lost money in this investment. It's not in question that she authorised and consented to the payments in this case.

So, 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. Taking into account the law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider ICICI should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

I need to decide whether ICICI acted fairly and reasonably in its dealings with Miss A when she made the payment, or whether it should have done more than it did. I have considered the position carefully.

The Lending Standards Board Contingent Reimbursement Model Code (CRM Code) provides for refunds in certain circumstances when a scam takes place. But – it doesn't apply in this case. That is because it came into effect in May 2019 – after the payments in question.

To clarify how the payment was made - ICICI told us that the payment instruction was made by email and was confirmed by Miss A with a signed payment instruction. I have seen the email from Miss A and the payment instruction, so am satisfied this is what happened.

The important matter here is whether this was a payment that ICICI might reasonably have considered unusual, and therefore whether they should've held or stopped the payment and asked more questions of Miss A. ICICI have said they did ask certain questions of Miss A – and were told she wanted to make the investment as it gave better returns than the banks. But here – I've not seen evidence of any such conversations. So, my decision doesn't hinge on that.

I looked at Miss A's account history with ICICI, and for me, it's clear that she made regular and large payments. I can see for example the following payments were made:

May 2015: £17,000  
July 2015: £5,600  
August 2015: £15,300  
May 2016: £12,000  
October 2016: £150,000  
January 2017: £460,000  
February 2017: £4,500  
July 2017: £10,000  
July 2017: £22,000  
August 2017: £10,000  
April 2018: £27,000

So, in those circumstances, the payment for £60,000 wasn't unusual for Miss A, and therefore I don't think it's reasonable for me to have expected ICICI to stop or prevent the payment and ask more probing questions of Miss A.

Miss A hasn't provided any evidence of the prospectus for Company A or why she made the investment decision – for example its investment strategy and intentions, probable returns, purpose of the investment and so on. Nor have I seen any evidence of a certificate or loan note. I can see that the company was incorporated in 2015 – but appears to have been dormant throughout its life. The accounts filed as at November 2017 at Companies House show it had no assets. And it was dissolved in October 2023.

So – this appears to be an unfortunate investment that went wrong. And we would not have expected ICICI to have advised Miss A on the wisdom of such an investment in any case – they were not her investment advisors.

I'm sorry that Miss A has lost a lot of money. But I don't hold ICICI liable to refund the money she's lost – for the reasons I've given. I can only suggest she contacts the liquidator of Company A to see if any of her investment remains to be repaid. **(continued)**

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 2 May 2024.

Martin Lord  
**Ombudsman**