

The complaint

Mr B complains about the advice/service he received from Lloyds Bank PLC.

In summary he says that Lloyds recommended a meeting with Schroders Personal Wealth ('SPW') when it shouldn't have done because he wasn't in a position to invest.

To put things right, he'd like Lloyds to compensate him for losses claimed – namely, £15,000 investment loss.

What happened

Mr B says he accepted an invitation to meet with Schroders Wealth Management, on the recommendation of Lloyds. He maintains Lloyds was wrong to do this.

He says that he had an outstanding mortgage, and the credit limit on his card has been reduced, which suggests that he shouldn't have been referred to SPW.

Mr B maintains he wasn't eligible because he didn't meet the criteria, so Lloyds shouldn't have made the introduction in the first place, and by doing so, Lloyds breached a duty of care.

It appears that Mr B invested with SPW and lost money. He now feels that Lloyds is in some way responsible for his losses, and for recommending a meeting with SPW as it were.

One of our investigators considered the complaint but didn't think it should be upheld. In summary, she said:

- The remit of her investigation is whether the actions of Lloyds were reasonable.
- On the face of the evidence, and on balance, simply suggesting that Mr B speak with SPW isn't in and of itself unreasonable.
- The meeting cost Mr B nothing and was obligation free. In other words, there was no expectation or agreement that he would invest just because he had the meeting with SPW.
- Lloyds has a process in place whereby it can refer customers to SPW if they have a balance of over £100,000, which is what it did in this case.
- Although the funds were "earmarked" (for something else), this didn't prevent Mr B from meeting SPW/investing – he could've simply refused to do so but didn't.
- Lloyds paid Mr B £30 compensation for a letter he'd sent, that it couldn't locate on its systems, which is broadly fair and reasonable. But this isn't a basis upon which to uphold this complaint.
- Mr B has made a complaint against Schroders, relating to the suitability of the advice he received. If he's not satisfied with the response from SPW he can refer the complaint to our service.
- SPW is independent of Lloyds, therefore responsible for its own advice and service. Lloyds is not responsible for the actions of SPW.
- Just because Lloyds suggested a meeting with SPW doesn't make it responsible for

the latter's actions.

Mr B disagreed with the investigator's view. He submitted further information for consideration. The investigator having considered the additional points wasn't persuaded to change her mind. In summary, she made the following key observations:

- Simply referring Mr B to SPW wasn't a regulated activity. Whether or not a video was shown, this wasn't a segway into making Lloyds responsible for the actions (including advice) of SPW – because Lloyds and SPW are two separate businesses.

Mr B disagreed with the investigator's view and asked for an ombudsman's decision. There's been much correspondence between him, our investigator, and Lloyds, but in summary he made the following key points:

- He's not surprised that the investigator hasn't upheld the complaint.
- In her latest view, she exonerated Lloyds of any wrongdoing.
- Not only does Lloyds have a responsibility towards him as a loyal customer of 40 years, it has a moral obligation to look after him as a vulnerable customer approaching 80 years of age at the time.
- It's the lack of honesty from Lloyds that is the basis of his complaint.
- The suggestion that he should have a meeting with SPW, and in particular Mr L – who he was told was an Independent Financial Adviser (IFA) – was based on false information because Mr L worked for SPW (which was linked to Lloyds).
- Prior to making the recommendation - for him to accept a referral to another company – Lloyds should've had a procedure in place and trained staff to follow that procedure, but it didn't.
- If a meeting had taken place with a senior member of Lloyds, he wouldn't have been recommended to speak to SPW.
- It wasn't until July 2023, when he received a letter from the Schroder Group CEO, that he became aware that there was a partnership created between SPW and Lloyds in 2019.
- Mr L was a salesman, described as an IFA, who acted as a go-between Lloyds and SPW.
- Mr L's title as his wealth manager was unfounded.
- Ultimately it was wrong for Lloyds to recommend him as a client, and it was wrong of SPW to accept him as such.
- At no point did he give Lloyds permission to share his information with SPW.

As no agreement has been reached the matter has been passed to me for review.

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 agree with the investigator's conclusion for much the same reasons. I'm not going to uphold this complaint.

On the face of the evidence, and on balance, I'm unable to safely say that Lloyds behaved unreasonably in this case such that the complaint should be upheld.

Before I explain why this is the case, I'd like to thank the parties for their considerable patience whilst this matter has awaited review by an ombudsman, given the current demand for our service.

It's also important to note I very much recognise Mr B's strength of feeling about this matter. He has provided lengthy, clear, well-argued, and detailed submissions to support the complaint, which I've read and considered very carefully. But unfortunately for him, I haven't been persuaded by his submissions in this case. I hope he won't take the fact my findings focus on what I consider to be the central issues, and not in as much detail, as a discourtesy.

The purpose of my decision isn't to address every single point raised neither is it to answer his questions and queries regarding Lloyds. My role is to consider the evidence presented by Mr B and Lloyds, and reach what I think is an independent, fair, and reasonable decision based on the facts of the case.

Based on Mr B's submissions, I'm satisfied that he understands that I can't consider any of his grievances against SPW in the current complaint against Lloyds.

I don't uphold this complaint, in summary, for the following reasons:

- I agree with the investigator that simply suggesting that Mr B speak to SPW – because it was flagged, as a matter of routine, that he had a balance of over £100,000 in his account – isn't in and of itself unreasonable, nor is it a basis upon which Lloyds can (reasonably) be held responsible for the advice provided by SPW.
- In the circumstances I don't agree with Mr B's statement that he was advised by Lloyds to invest with SPW. I note he had a separate complaint against SPW which was the appropriate avenue for him to follow if he wasn't happy with the advice, it gave him. However, I'm also aware that that complaint was deemed out of jurisdiction and is now closed.
- The above notwithstanding, any reference I've made to Mr B being able to complain to SPW, is done so based on what he could've/should've done, as well as Lloyds not being the business responsible for the advice given. It doesn't presuppose that the (former) complaint against SPW can, or will, be reopened.
- On the face of the evidence, and on balance, I'm satisfied that Mr B was recommended a meeting with SPW on an unencumbered and all options basis. In other words, there was no undertaking that just by agreeing to speak to SPW he would invest – whether in a specific product or otherwise. The decision whether (or not) to do so was between him and SPW, after it had considered his circumstances, aims and objectives. None of this means that Lloyds is responsible.
- I've seen no persuasive evidence that Mr B was referred to SPW on the pretext that he'd invest in a specific product. This is unlike a situation where for example an adviser refers an investor to a third-party business – on the basis that they'd invest in a specific product that the adviser is probably unauthorized to invest in – and they do so without any further assessment of their financial situation.
- By contrast, in this instance there was no obligation to invest, the meeting was free of charge and Mr B was free to walk away at any point.
- This might explain why there wasn't a meeting with a senior member of the Lloyds team going through Mr B's finances – and/or conducting an internal credit check – considering if he was "suitable" to invest with SPW. If there had been there might've been a case to argue that Lloyds was a party to the sales process. But there's no such issue in this case because Lloyds had no input into how Mr B invested his money.
- It wasn't for Lloyds to consider whether Mr B ought to have paid off his mortgage – which he arguably could've done – as it wasn't providing him with any investment advice.
- Whatever might've been Mr B's intention for that money, I think he was willing (at

least to consider) investing the funds, otherwise he could've simply refused the meeting with SPW.

- I note Mr B says he was thinking of not going ahead and needed more time but was persuaded to do so by Mr L using heavy sales tactics. If that was the case, that's something he can maybe raise with Schroders.
- I've seen nothing to suggest that Mr B approaching 80 years of age (at the time) meant that Lloyds was wrong to suggest he could speak to SPW. I can't say that Lloyds behaved unreasonably just by virtue of his age.
- On the face of the evidence, and on balance, I'm satisfied that Lloyds's actions don't amount to financial advice, and don't make it responsible for the actions of SPW.
- Despite forming a partnership in 2019 I'm satisfied that SPW and Lloyds are two separate businesses that are responsible for their own actions.
- I can't comment on who Lloyds decides to partner and/or associate with. It's not for me to tell Lloyds how it should run its business.
- I don't agree with Mr B that Lloyds is responsible because SPW wouldn't have questioned the referral from its partner. Whether (or not) SPW did, isn't something I can blame Lloyds for. This also didn't exonerate SPW from having to consider Mr B's financial circumstances and provide reasons for its recommendation.
- I understand that Lloyds has a process in place whereby it can refer customers to SPW if they have a balance of over £100,000, which is what it did.
- I'm satisfied that Lloyds did so without any other material consideration in terms of his aims and objectives, risk attitude and/or capacity for loss. That was for Mr B to discuss with SPW.
- I note Mr B received £30 for a letter he'd written to Lloyds which it couldn't locate on its system. I also note Mr B received £50 for Lloyds requesting information that he'd already provided in relation to his mortgage coming to the end of term. Neither of these instances are a reason for me to uphold this complaint.
- Despite what Mr B says, I'm satisfied that SPW is responsible for its own actions, advice, and service. It is an independent business, which I'm satisfied is independent of Lloyds. I've seen nothing to suggest otherwise.
- Even if, in hindsight, Lloyds wishes it hadn't suggested/referred Mr B to SPW this doesn't mean that it has done anything wrong.
- I'm mindful of the other points Mr B makes, including whether (or not) express consent was obtained from him about sharing some of his details with SPW. It's arguable that it was implicit in him agreeing to meet with SPW that it would be given some of his details. However, if he remains concerned about any specific element, he can refer the matter to the Information Commissioner's Office for its consideration.
- Any issues Mr B has about the role of Mr L – and the meeting he had with him at his home – is something he can maybe take up with Schroders. I note Mr B says Mr L *"indulged himself in falsifying his credentials in presenting himself in Lloyds Bank as a i.e. Independent Financial Adviser and working for an Independent Company within the Lloyds Banking Group"*.
- Any other irregularities that Mr B is concerned about including whether (or not) he and his wife ought to have signed the material documents is also a matter he can take up with Schroders.
- Mr B has raised numerous point that arguably relate to Lloyds's complaint handling, however this is not something I can consider because complaint handling isn't a regulated activity. There's an exception if it is ancillary to the complaint but I'm not persuaded that it is in this case, therefore it's not something I can comment upon.

I appreciate Mr B will be unhappy that I've reached the same conclusion as the investigator. Furthermore, I realise my decision isn't what he wants to hear. But on the face of the

available evidence, and on balance, despite what he says, I'm unable to uphold this complaint and give him what he wants.

My final decision

For the reason set out above, I don't uphold this complaint and I make no award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 24 March 2025.

Dara Islam
Ombudsman