

## The complaint

This complaint has been brought by a limited company I'll refer to as "P". The complaint is about Lloyds Bank PLC ('Lloyds') declining to reimburse £150,000 it says was lost to an investment scam.

Mr G, who is the director of P, brings the complaint on P's behalf. And Mr G has chosen to appoint a professional representative whom I'll refer to as M.

## What happened

P had previously invested with a firm GCW Funding ('GCW'). Mr G was introduced to them by an accountant friend. It was understood that payments made to GCW were supposedly intended for trading Forex. During 2017, Mr G was advised that assets from GCW were going to be transferred to another firm Swisspro Asset Management AG ('Swisspro'). P proceeded to invest in Swisspro with Mr G making payments totalling £150,000.

Swisspro eventually collapsed in 2019, and despite Mr G's requests, he's been unable to withdraw or recover any funds directly.

A complaint was raised with Lloyds through M in November 2023. It argued that Lloyds should have stopped the payments and that P's banking history ought to have alerted it to the unusual nature of the payments.

One of our investigators looked into this matter and didn't uphold the complaint. It was explained that M had not provided sufficient evidence within its submissions to demonstrate P had fallen victim to a scam. They said there were no regulatory warnings about Swisspro at the time nor were there any regulatory warnings to date. Therefore our investigator was unable to conclude with any degree of certainty P had fallen victim to a scam.

Our investigator went on further to explain that even if he did proceed on the basis that P had been scammed, he wasn't persuaded the loss occurred as a result of Lloyds' failure to intervene appropriately when the payments were made.

In response, M acknowledged Lloyds was under no obligation to shield P from an unfavourable agreement or to provide investment advice. But when the payments were instructed by Mr G, Lloyds should have encouraged him to verify whether the payee was registered with the FCA. And had it done so, this would have brought Mr G's attention to the substantial risks associated with unregulated investments and the increased risk of such investment being a Ponzi scheme. M said there was no evidence to suggest Mr G was predisposed to taking significant financial risks or had a history of speculative behaviour. M concluded that Lloyds failed to take the opportunity to engage with Mr G missing a critical chance to provide necessary warnings.

Our investigator maintained their stance and disagreed that Lloyds missed an obvious opportunity to intervene. They didn't think the payments were large or unusual enough to warrant further checks given P's account history.

M responded further and explained whilst there were no regulatory warnings associated with the company, it said a police investigation had uncovered fraudulent activities linked to Swisspro.

As agreement couldn't be reached on the resolution of the complaint, the case has been referred for a decision.

### **What I've decided – and why**

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In deciding this case, I've reached the same overall conclusions as our investigator and for largely the same reasons. I'll explain more below.

Before I proceed with my findings however I want to make clear just as our investigator has noted, P's complaint does not relate to any payments made historically to GCW in 2015 and 2016. This complaint solely relates to payments made to Swisspro in early 2018.

<b>Date</b>	<b>Payee</b>	<b>Type</b>	<b>Amount</b>	<b>Fee</b>
30/01/2018	Swisspro Asset Management	International payment	£75,000.00	£15.00
01/02/2018	Swisspro Asset Management	International payment	£75,000.00	£15.00

P's statements also show the following credit received from GCW shortly after the disputed transactions:

<b>Date</b>	<b>Payee</b>	<b>Type</b>	<b>Amount</b>
28/02/2018	GCW Funding	Faste payment	£2,250

Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, Lloyds ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances. But the obligations to warn customers of the risk of such financial harm will only reasonably have been engaged if there were sufficient grounds a payment might be connected to a fraud or a scam – i.e. that it was suspicious.

So I would need to be satisfied there were concerns Swisspro was operating a scam, or that the payments looked suspicious, when Mr G made the two payments of £75,000. When considering this for P's case, I've paid particular attention to the official organisations that publish warnings about merchants that operate in the UK and abroad. I've searched the Investor Alerts Portal of the International Organization of Securities Commissions ("IOSCO"), the international body that brings together the world's securities regulators. And the Financial Conduct Authority 'FCA' (as the UK regulator) also has its own warning list, which is in place to share alerts and insight about merchants that have been identified as potentially being fraudulent.

Upon checking both of these, it's my understanding that Swisspro has no adverse information reported about it when the payments were made in early 2018. At the time the payments were made, Swisspro was a legitimate fund management company that was

authorised by the Swiss Financial Market Supervisory Authority (FINMA). I understand Swisspro later filed for bankruptcy in 2019 and that a police investigation was being conducted surrounding individuals involved with both GCW and Swisspro. But none of this information would have been available to Lloyds at the time. All it would have known was that Mr G was sending money from P's account to a business that was authorised and operating legitimately in another jurisdiction.

Following our investigator's findings, M provided some further evidence – that being an update in January 2025 from the police about its ongoing investigations into individuals linked to GCW/ Swisspro. These were individuals that featured in email correspondence provided as evidence to this service. However, this police update set out that a decision had been made to take no further action against two individuals for offences relating to fraud and their involvement in GCW/ Swisspro. The same update also goes on to explain that investigations into other suspects continue but there remained several complex issues to overcome. In light of this, I'm not satisfied this evidence alters the considerations I've already set out above.

M raised further comment that whilst Lloyds had no duty to protect P from a bad bargain or given investment advice, it should have invited them to check whether the payee was registered with the FCA. I can only reasonably expect any intervention or enquiries made by Lloyds to have been proportionate to the perceived level of risk of Swisspro being fraudulent.

When considering P's account history, I'm in agreement with our investigator that the payments weren't sufficiently large or unusual enough to warrant intervention. What I do see is the disputed transactions are very much in keeping with how the account has historically operated. Furthermore, considering Mr G's professional background, P's status I'm not persuaded directing him to check whether the payee was registered with the FCA would have resulted in him making a different decision to invest with Swisspro – given his background, he would have been fully conversant with the pros and cons of investing with a business that was regulated in another jurisdiction.

Overall, I'm not persuaded there was any reason for Lloyds to have been aware that Swisspro was fraudulent or operating a scam at the time of the payments. Therefore, I don't consider Lloyds acted unfairly by preventing or failing to intervene in the payments being made.

I've also thought about whether Lloyds ought to have done anything to recover the funds after P's loss was reported. Mr G didn't dispute the payments with Lloyds until a letter of complaint was raised through M in November 2023. Given the investment company has since become insolvent, it would be highly unlikely that the bank could have recovered any funds, particularly given it was more than four years after the payments had been made.

Finally, I understand that M were unhappy with Lloyds' complaint handling. M submitted three individual letters of complaint to Lloyds about three distinct losses. As seen above, my decision here has focused on losses relating to Swisspro. However, M requested compensation for P as a result of the considerable trouble and upset in the pursuit of this complaint. Lloyds issued a final response letter addressing all three complaints raised and in doing so made an award of £250 compensation. I should explain just as our investigator has, complaint handling in and of itself is not a regulated activity. So I'm afraid that a complaint about complaint handling would not be within our remit and so I won't be commenting on that here. That said, I understand the £250 compensation has already been paid to P.

**My final decision**

For the reasons given 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 P to accept or reject my decision before 15 July 2025.

Mark O'Connor  
**Ombudsman**