

The complaint

K – a limited company – complains that Cater Allen Limited, trading as Cater Allen Private Bank ('Cater Allen') hasn't refunded payments it says it made as part of an investment scam.

K brought its complaint to this service with the help of a professional representative. However, for ease of reading, I'll refer only to K within my decision.

What happened

The circumstances of the complaint are well-known to both parties. So, I don't intend to set these out in detail here. However, I'll provide a brief summary of what's happened.

Between 30 May 2023 and 29 June 2023, K's directors used its Cater Allen account to make 14 debit card payments, totalling £20,918.67, as part of an investment with a company which I'll refer to as 'I'.

K now believes that the investment opportunity was in fact a scam and asked Cater Allen to refund the payments. Cater Allen said all the disputed payments were correctly authorised and so it wasn't responsible for reimbursing K.

Unhappy with Cater Allen's response, K referred a complaint to this service. Our Investigator considered the complaint but didn't uphold it. In summary, they didn't think that Cater Allen reasonably could've prevented the disputed payments being made, meaning it wasn't liable to refund K.

K didn't accept our Investigator's opinion. K said there were multiple warnings to suggest I wasn't a genuine investment opportunity and that would've been apparent to Cater Allen if the disputed payments had been questioned at the time they were made.

As an agreement couldn't be reached, the complaint has been passed to me to decide. On 17 October 2025, I wrote to K and set out my initial thoughts on the complaint. I explained that the payments K had made appeared to have been made towards personal investments on behalf of K's directors – i.e., not a business investment. This meant that K's directors were responsible for reimbursing K and not Cater Allen.

I asked K to provide evidence demonstrating the disputed payments related to a business investment. K said it wasn't allowed to open an account with I in its own name. So, the directors of K opened accounts with I in their personal names but on behalf of K. When K subsequently discovered I might have been a scam, the losses from the payments to I were assigned to the directors' loan account in K's books and records. However, no evidence has been provided of this.

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.

From the evidence I've seen, I think it's more likely than not that the disputed payments related to personal investments for K's directors, rather than for K's own business purposes. As a result, I'm satisfied that the loss K has suffered is owed to K by its directors and therefore Cater Allen isn't responsible for refunding the disputed payments. I'll explain why.

All of the investment correspondence I've seen is between I and K's directors in their own names. K submitted a spreadsheet of the disputed payments to this service, which referred to the payments being made towards accounts with I in the personal names of K's directors. I've seen no evidence to suggest an account was opened with I in K's name or that it attempted to open an account with I in its own name.

I've seen no evidence to support K's claim that I wouldn't allow K to open an investment account in its own name. And, if I was a scam, it seems unlikely that it would voluntarily place barriers in the way of securing funds from K or its directors.

The type of investment *allegedly* being offered by I differed significantly from K's nature of business. Finally, the investment doesn't appear to have been recorded in K's filed accounts on Companies House. So, I'm not persuaded the available evidence demonstrates that the disputed payments related to an investment for K's own business purposes.

I appreciate K's comments that the loss from the investment was assigned to the directors' loan account in K's books and records, which it says explains why there's no record of the investment in the micro accounts filed with Companies House.

However, I'm mindful that this only occurred *after* K discovered I might have been a fraudulent investment. So, to my mind, this doesn't demonstrate that K's directors intended to invest on behalf of K at the time the disputed payments were made – and I think it's more likely than not that K's directors used the company's money to invest funds for personal investments.

In these circumstances, K's payments are treated as a loan to K's directors, and it is K's directors – and not Cater Allen – that is responsible for returning the funds to K. This remains the case, regardless of any potential failings by Cater Allen when the disputed payments were made. So, I haven't gone on to consider any potential failings by Cater Allen, as the loss remains the responsibility of K's directors to refund.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask K to accept or reject my decision before 11 December 2025.

Liam Davies
Ombudsman