

Lloyds Banking Group

11:44 21 Jun 2019

Lloyds fined £45.5m by FCA for failing to disclose HBOS fraud suspicions

Lloyds Banking Group PLC (LON:LLOY) has been fined £45.5m by Britain's financial watchdog for failing to disclose suspicions of fraud at its HBOS Reading branch.

The Financial Conduct Authority said HBOS had identified suspicious conduct in Reading in early 2007 but did not tell the regulator until 2009, the year Lloyds rescued the bank.

READ: Noel Edmonds to launch lawsuit against Lloyds and enter I'm a Celebrity this week

Six people including two former HBOS bankers were jailed last year for a combined 47 years for their role in fraud at the Reading branch.

The fraud, which occurred between 2002 and 2007, hurt hundreds of struggling small businesses, pushing many into bankruptcy.

The businesses were referred to turnaround consultancy, Quayside Corporate Services, and then loaded with unmanageable amounts of debt before being taken over and asset-stripped.

Failings delayed investigations into fraud, says FCA

The FCA said HBOS failed to disclose information appropriately to the then regulator, the Financial Services Authority (FSA).

Mark Steward, the FCA's executive director of enforcement and market oversight, said the bank's failures caused delays to investigations by the regulator and the police.

"There is no evidence anyone properly addressed their mind to this matter or its consequences," Steward said.

The fine was reduced by almost £20m because the bank agreed to settle, sparking outrage among some of the affected businesses.

HBOS Reading victim group SME Alliance declare today's reduced fine from FCA "insulting". On long delay in report "justice delayed is justice denied"

— Jim Armitage (@ArmitageJim) 21 June 2019

The FCA also banned Lynden Scourfield, Mark Dobson, and husband and wife David Mills and Alison Mills, who were involved in the fraud, from working in financial services.

Lloyds boss apologises to fraud victims again

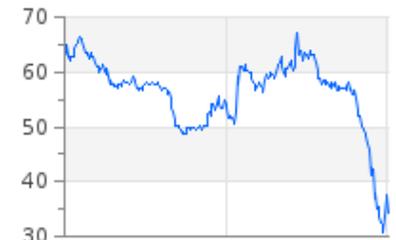
Lloyds said it welcomed the FCA's "comprehensive investigation" and accepted the watchdog's findings.

The bank said since the acquisition of HBOS it has ensured "tighter controls, more robust risk management and an

Price: 33.375

Market Cap: £23.44 billion

1 Year Share Price Graph



April 2019 September 2019 March 2020

Share Information

Code: LLOY

Listing: LSE

52 week	High	Low
	73.66	29.817

Sector: Banks

Website: www.lloydsbankinggroup.com

Company Synopsis:

Lloyds Banking Group has many household names like Lloyds Bank, Halifax, Bank of Scotland and Scottish Widows. Lloyds Banking Group is a leading UK based financial services group providing a wide range of banking and financial services, focused on personal and commercial customers.

action@proactiveinvestors.com

entirely different culture than was evident during the fraud".

Chief executive, António Horta-Osório, said Lloyds takes the enforcement notice "very seriously".

"I want to apologise once again for the very deep distress caused to the customers affected by the HBOS Reading fraud. The perpetrators of the fraud rightly went to jail for the crimes they committed."

Lloyds has previously said 71 victims of the fraud have been offered compensation and 98% have accepted those offers.

Former Deal or No host, Noel Edmonds, was among the victims. He claims his former entertainment business collapsed as a result of the fraud.

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.