

## **complaint**

Mr D complains that Bank of Scotland plc was party to a mis-sold pension scheme. He wants £20,000 to be refunded to him and the remaining loans he has with the bank to be written off.

## **background**

In 1991, Mr D took out loans of over £50,000 with Bank of Scotland, in order to buy shares in a scheme that had been recommended to him by his financial adviser. Mr D complains that the bank should have closely monitored the use the loans were being put to and have advised him that this was not the 'rock solid pension scheme' his advisor told him it was. When the financial advisor became insolvent, Mr D had moved abroad and was not informed. Mr D says the bank should have contacted him to inform him of his advisors insolvency.

The adjudicator did not recommend the complaint should be upheld. She said the bank was acting as a lender to Mr D, but its role in the transaction went no further. She said the bank made it clear in the loan documentation that it was not providing advice and recommended that Mr D should obtain his own advice in relation to the use the loan was being put to. She said the bank was not in any arrangement with the financial adviser and did not have to contact Mr D when he became insolvent.

Mr D does not agree. He says that the mis-selling could not have taken place if Bank of Scotland had not been working with his financial adviser. He says Bank of Scotland should have used their oversight to check the funds were being used properly and they should cover his loss on the loans of £30,000.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I have seen the bank records, these include a copy of the original loan agreement and application form. The agreement includes the following term under the heading 'Other conditions':-

"The customer [Mr D] acknowledges that the Bank's agreement to provide the Loan on the aforesaid terms in no way implies any representation or warranty by the Bank in regard to the viability or management of the investment scheme in question or recommendation by the Bank that subscribing for Shares in the investment scheme is appropriate for the Customer."

I appreciate that Mr D says the loan was arranged by his financial advisor and he never went to the bank, but the application form which Mr D signed made it very clear in the notes that Bank of Scotland "strongly advised" him to obtain advice on the type of investment scheme the loan would be used.

I am satisfied that the documentation which was provided by the bank to Mr D and which was signed by Mr D, made it clear that the bank's role in this investment was simply to provide the loan. I am satisfied the bank did not provide any advice and was not working in any other way with the financial advisor. I know Mr D will be disappointed, but I am therefore not satisfied that the bank was involved in any mis-selling.

I appreciate Mr D's frustration that due to living abroad he was not aware that his financial advisor had been made insolvent and the Investors Compensation Scheme was attempting to find those who had invested in the scheme. However, I am not satisfied that Bank of Scotland had any relationship with the financial advisor and it had no responsibility to inform Mr D of this situation.

I regret that the consequences of this series of events are considerable for Mr D, but I have to look at whether or not the bank has made any mistakes and I am not satisfied it has.

**my final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr D to accept or reject my decision before 10 July 2015.

Charlotte Holland  
**ombudsman**