

Fury at Lloyds as it turns on fraud whistleblowers: Pressure grows on bank bosses over 'disgraceful' handling of £245m HBOS scandal

- Lloyds stands accused of attempting to cover up a £245m fraud
- Lloyds demands whistleblower couple who exposed scandal prove again they were victims
- Critics say the bank's demand typifies its obstructive attitude

By [Alex Hawkes, Financial Mail on Sunday](#)

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Lloyds Bank is this weekend under fire for its handling of the HBOS Reading fraud after demanding that the whistleblower couple who exposed the scandal prove yet again that they were victims.

The pair have already handed over a mountain of evidence to the high street lender, which took over HBOS in 2008.

Lloyds stands accused of attempting to cover up the £245million fraud – one of the biggest in British banking history – and of trying to fob off the scores of owners of small firms who lost their livelihoods.



Lloyds Bank is this weekend under fire for its handling of the HBOS Reading fraud after demanding that the whistleblower couple who exposed the scandal prove yet again that they were victims

The bank has sparked new fury by writing to Paul and Nikki Turner, who first publicised the wrongdoing, calling for them to hand over more proof that they had suffered at the hands of the notorious Reading branch of HBOS.

However, the Turners have already supplied hundreds of documents to Lloyds over the course of more than a decade. Critics say the bank's demand typifies its obstructive attitude.

Banking sources say that although current boss Antonio Horta-Osorio was not at the helm at the time of the scandal, he is under increasing pressure due to his treatment of the victims.

A number of them – including TV star Noel Edmonds who is claiming £300 million from Lloyds over the collapse of his Unique Group of businesses – say Horta-Osorio has refused to meet them.

Many are furious at what they see as the bank's high-handed behaviour.



Insulted: Lloyds has sparked new fury by writing to Paul and Nikki Turner (pictured), who first publicised the wrongdoing, calling for them to hand over more proof that they had suffered at the hands of the notorious Reading branch of HBOS

One banking insider said: 'Antonio has taken a dismissive approach hoping they will go away, but it has backfired.'

Lloyds has come in for harsh criticism from Thames Valley police commissioner Anthony Stansfeld, who investigated the case.

He said: 'If it hadn't been for the unearthing of evidence by victims and whistleblowers within the bank much would not have come to light.'

'The treatment of whistleblowers and the huge legal pressure they were then put under by the banks' lawyers has been disgraceful.'

Lloyds boss Antonio Horta-Osorio is under increasing pressure

Lloyds has set aside £100 million to compensate victims through a review led by Professor Russel Griggs.

But victims say the bank is dragging its feet on payouts and the process is not independent.

The Turners' music business, Zenith, was devastated by corrupt bankers more than a decade ago.

The couple said the treatment of them was at the heart of the criminal case where the rogue bankers were convicted, so Lloyds already has piles of definitive evidence.

In January, six bankers and consultants were jailed for defrauding businesses and spending the proceeds on sex, holidays, parties and superyachts.

Nikki Turner told The Mail on Sunday: 'We have sent first HBOS and then Lloyds numerous letters and documents and it took them until the beginning of this year to accept the truth. This is either severe incompetence or cynical prevarication by Lloyds.'

The bank says it accepts that the Turners were victims but that it needs them to detail how they were defrauded because the pair have not formally issued a legal claim against them.

Lloyds said: 'Where we are engaging with customers through an alternative dispute resolution process we need them to set out their personal experiences... in their own words in the greatest possible detail.'

'The independent mediator will review this position statement and the group's response and consider the impact on the customer.'