

The Killing Bank

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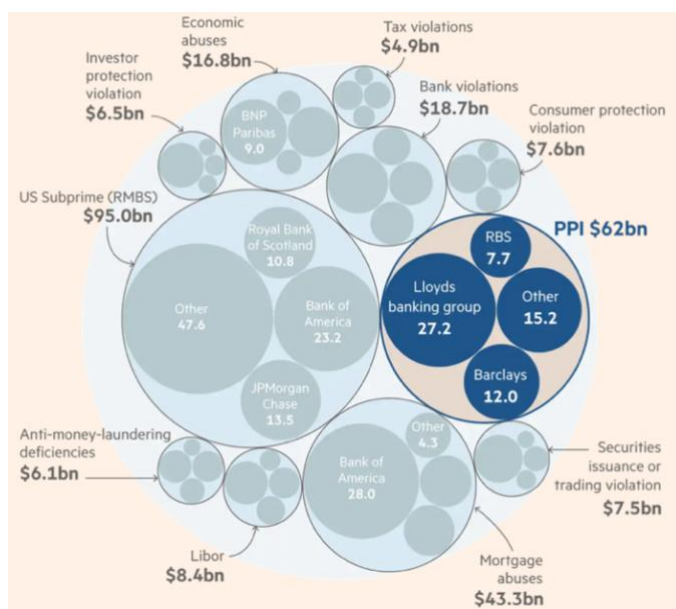
Foreword 2025

The original version of this paper was released to Lloyds Banking Group in February 2023 with the objective of effecting positive change and securing compensation. Unfortunately, for me, this coincided with yet another period of homelessness and destitution.

These problems are now resolved, allowing me to refocus on the wider issues.

Lloyds' response could best be paraphrased as 'nothing to see, never was, move along'¹. However, ongoing research has led me to a different set of conclusions, as follows:

- The Financial Times revealed Lloyds to be the world's worst financial scammer².
- Lloyds' malfeasance includes mistakes, misselling, noncompliant actions and failures to treat customers fairly, fix the problems it creates and pay compensation
- Lloyds is offending public policy, breaking the law, breaching statutory regulations, mandatory guidance and industry codes and making their customers vulnerable
- Examples include PPI misselling, noncompliant collections and the Reading scandal
- Lloyds was fined a total of £231 million and had to pay £23 billion in compensation for these examples alone³ and their aberrant behaviour continues to the present day
- Some customers are driven to suicide. If ten per cent of suicides attributable to Lloyds are avoidable, this is the equivalent of a Southall Rail Crash every six weeks
- If the proximate cause of such a suicide was a gross breach of their duty of care, Lloyds might be criminally prosecuted under the Corporate Manslaughter Act 2007.



The Financial Times revealed Lloyds to be the world's worst financial services scammer

¹ [Lloyds / Correspondence / 2023 03 27 Lloyds Response](#)

² [Lloyds / PPI Misselling / 2019 09 10 FT World's Worst Scammer](#) - The UK's slow-burn £50bn banking scandal showed Lloyds to be the worst for PPI misselling, which cost the bank \$27.2 billion. Second worst was Bank of America, whose involvement in US subprime (RMBS) cost the bank \$23.2 billion. NB: PPI targeted consumers, RMBS targeted firms.

³ [Lloyds / Facts Checked / Compensation and Fines](#)

1. Executive Summary

- 1.1.1. This report investigates systemic malpractice by Lloyds Banking Group, which has led to significant financial and psychological harm to its customers. This report will:
- Expose the scale and impact of Lloyds' malpractice.
 - Establish a legal argument for corporate responsibility.
 - Recommend actions to hold the bank accountable and prevent further harm.
- 1.1.2. It highlights repeated violations of consumer rights, regulatory breaches, and a failure to address the consequences of its actions. Most alarmingly, the bank's conduct has contributed to financial distress severe enough to drive some customers to suicide.
- 1.1.3. Using legal precedent, financial data, and case studies, it argues that Lloyds' actions could potentially warrant prosecution under the Corporate Manslaughter Act 2007.
- 1.1.4. The findings call for urgent regulatory intervention, potential legal action, and systemic reform to prevent further harm. Until then, the avoidable suicides will continue.

2. Thesis

2.1. The Problem

- 2.1.1. There is a pattern to Lloyds' aberrant behaviour. It creates problems through mistakes and misselling, makes things worse through noncompliant actions and makes things worse still by failing to treat disadvantaged customers fairly. This makes stable customers vulnerable, vulnerable customers desperate and desperate customers suicidal. Consequently, Lloyds' actions have caused avoidable suicides dating back decades up to the present day.

2.2. Resulting Suicides

- 2.2.1. To establish the scale of this concern, the Money and Mental Health Policy Institute, a charitable organisation founded by Martin Lewis, published *A Silent Killer: Breaking the link between financial difficulty and suicide*⁴. This paper revealed that in England in 2017:
- Over 420,000 people in problem debt thought about suicide
 - Over 100,000 people in problem debt attempted suicide.
 - People who are in problem debt have approximately 1.8 times the odds of thinking about suicide in the last year, even after controlling for age, gender, employment and experience of traumatic events.
 - Nearly a quarter of people who attempted suicide last year were in problem debt
- 2.2.2. As it is a large bank, many of these attempted suicides will be of Lloyds' customers.
- 2.2.3. 5,203 suicides were registered in England in 2021⁵. The population of England is 84 per cent of the UK⁶, so there may be circa 6,194 suicides in the UK in total. The National Centre for Social Research stated that 23 per cent of suicides are of customers in problem debt⁷ and so this issue may have been a contributing factor to circa 1,424 suicides in 2021.
- 2.2.4. PPI misselling data can be used to apportion market share and the level of malpractice. The market paid out £48.5 billion in compensation overall⁸, of which Lloyds paid out £22 billion⁹, or 45 per cent. If this is representative of market share and the level of malpractice, circa 646 Lloyds customers in problem debt may have committed suicide in 2021.
- 2.2.5. **If ten per cent of the estimated suicides of Lloyds' customers were avoidable, this would be the equivalent of a repeating Southall Rail Crash taking place every six weeks** and those caused by noncompliant collections are probably a fraction of the overall total.
- 2.2.6. Lloyds knows which customers have suffered its scams and scandals and those who have committed suicide, as it has to close down their accounts and take creditor action. Given these facts, it is disappointing that it has not taken corrective action. Some who commit suicide may, by then, be ex-Lloyds customers, and others might die from conditions exacerbated by the stress created. This larger number is impossible to establish.

⁴ [Lloyds / Vulnerable Customers / 2018 12 03 MMHPI Silent Killer](#)

⁵ [Lloyds / Vulnerable Customers / 2018 ONS Suicide Statistics](#)

⁶ [Wikipedia – Countries of the United Kingdom by Population](#)

⁷ [Lloyds / Vulnerable Customers / 2018 12 03 NCSR Risk of Suicide](#)

⁸ [Lloyds / PPI Misselling / 2019 08 30 Times Retrospective](#)

⁹ [Lloyds / Facts Checked / Compensation and Fines](#)

2.3. Lloyds Scams and Scandals

- 2.3.1. There is a long and continuing record of Lloyds abusing and exploiting its customers.
- 2.3.2. Lloyds is consistently the most complained-about financial services company¹⁰. The data shows that when I complained to Lloyds myself in March 2018, the Financial Ombudsman (FOS) received 374 new Lloyds complaints every day, and this was the tip of an iceberg.
- 2.3.3. Over decades, Lloyds' executives have created a dysfunctional culture where mistakes, misselling, noncompliant actions and failures to treat customers fairly are routine.
- 2.3.4. This dysfunctional culture never seems to improve. As a result, millions of customers have been disadvantaged¹¹ and Lloyds has had to pay tens of billions of pounds in compensation and hundreds of millions of pounds in fines. Over the past ten years, these include:
- 2015 - fined £117 million by the Financial Conduct Authority (FCA) for failing to treat customers fairly when dealing with PPI misselling claims¹²
 - 2017 - paid £300 million in compensation to 526,000 customers for noncompliant mortgage collections dating back to 2009¹³
 - 2019 – by the PPI misselling claims deadline, Lloyds had paid £22 billion in compensation to millions of victims¹⁴ out of a market total of £48.5 billion¹⁵
 - 2019 - fined £45 million for delays in Reading scandal reporting dating back to 2010¹⁶
 - 2019 - This is Money reported a *Litany of Blunders*, claiming Lloyds owed £770 million in compensation to 4.37 million people or one in seven of its customers¹⁷.
 - 2020 - fined £64 million for noncompliant mortgage collections activities¹⁸
 - 2021 - fined £90 million for misinforming customers about the competitiveness of insurance renewal quotes¹⁹.
 - 2022 - offered £600 million across 200 victims of The Reading Scandal²⁰
 - 2024 - settled a £70 million claim on shared appreciation mortgages, which caused some debts to balloon by 1,000 per cent²¹.
 - 2024 – put aside £450 million for a car finance scam²² and following a failed appeal, its share price fell 7.4 per cent²³ on concerns of future liabilities.
- 2.3.5. *Appendix A – Lloyds' Response and File Notes* details multiple breaches of the regulatory framework with PPI misselling, noncompliant collections and the Reading scandal.

¹⁰ [Lloyds / Ombudsman / Lloyds 10 Years of Complaints / Calculations](#)

¹¹ [Lloyds / Facts Checked / Millions Disadvantaged](#)

¹² [Lloyds / PPI Misselling / 2015 06 04 £117m Fine](#)

¹³ [Lloyds / Noncompliant Collections / 2020 06 11 £64m Fine](#)

¹⁴ [Lloyds / Facts Checked / Compensation and Fines](#)

¹⁵ [Lloyds / PPI Misselling / 2019 10 31 BBC Lloyds Profits](#)

¹⁶ [Lloyds / The Reading Scandal / 2019 06 20 £45m Fine](#)

¹⁷ [Lloyds / Litany of Blunders / 2019 12 14 Four Million Blunders](#)

¹⁸ [Lloyds / Noncompliant Collections / 2020 06 11 £64m Fine](#)

¹⁹ [Lloyds / PPI Misselling / 2021 07 09 FCA £90 Million Fine](#)

²⁰ [Lloyds / The Reading Scandal / 2022 06 13 £3m Compensation](#)

²¹ [Lloyds / 2024 Scams and Scandals / 2024 02 04 Unfair Loans](#)

²² [Lloyds / 2024 Scams and Scandals / 2024 02 22 Car Finance Probe](#)

²³ [Lloyds / 2024 Scams and Scandals / 2024 10 28 Share Price Crash](#)

3. The Question of Responsibility

3.1. Introduction

- 3.1.1. The first question is, can Lloyds be held responsible for an avoidable customer suicide?
- 3.1.2. In 2008, the Lords of Appeal, in the case of *Corr v IBC Vehicles Limited*, established that it can. Corr was an employee, not a customer, but it is unlikely that this undermines the principle that a company can be held responsible for the suicide of a customer²⁴.
- 3.1.3. Lord Bingham of Cornhill discussed several submissions, advanced on behalf of IBC, which were ultimately dismissed. These submissions were based on the following:
- The scope of duty issue
 - The foreseeability of the suicide
 - The principle of novus actus interveniens – the suicide broke the chain of causation
 - The principle of volenti non fit injuria – the suicide was a voluntary act
 - There was contributory negligence
- 3.1.4. This is a useful set of criteria against which to evaluate Lloyds' responsibility.

3.2. Duty of Care

- 3.2.1. It was judged that IBC owed Corr a duty of care embracing his psychological welfare.
- 3.2.2. The Bar Council advised the FCA that the generally accepted legal meaning of a duty of care is 'an obligation to exercise reasonable care and skill when providing a product or service and this is, for example, reflected in Principle 2's [FCA, Principle for Business, PRIN 2²⁵] requirement that a firm must conduct its business with due skill, care and diligence'²⁶.
- 3.2.3. It follows that Lloyds owes its customers a duty of care based on the law and standards of reasonable care and skill, defined by statutory principles, rules and guidance, and industry codes and guidance, made mandatory under the Consumer Protection from Unfair Trading Regulations 2008 (CPRs), and this duty of care includes their psychological welfare.

3.3. Foreseeability

- 3.3.1. It was judged that Corr's depression was a foreseeable outcome of the negligence he experienced and there was 'uncontroverted evidence that suicide was a not uncommon sequel of severe depression'. It follows that, as he was known to be depressed, his suicide could have been foreseen. This conclusion can apply equally well to Lloyds' customers.

3.4. Chain of Causation

- 3.4.1. It was judged that IBC's breach of their duty of care resulted in Corr's depression and this led directly to his suicide. Therefore, there was no break in the chain of causation.

²⁴ [Lloyds / Legislation / 2007 Corporate Manslaughter / 2008 02 27 Lords Thomas Corr](#)

²⁵ [Lloyds / Regulators / Principles for Business / 2020 10 00 FC PRIN Overview](#)

²⁶ [Lloyds / Consumer Duty / 2021 07 30 Bar Council Response](#)

- 3.4.2. As with the foreseeability criterion, this conclusion can apply equally well to Lloyds. Proving the proximate cause may be difficult but not impossible, and once a ruling is made, this judgment can be applied to reduce subsequent avoidable customer suicides.

3.5. A Voluntary Act

- 3.5.1. It was judged that Corr's suicide was not a voluntary act. He had not consented to the accident that led to his depression and subsequent suicide. Similarly, Lloyds' customers do not consent to be disadvantaged by its mistakes, misselling, noncompliant actions and failures to treat them fairly and this leads to their depression and subsequent suicide.

3.6. Contributory Negligence

- 3.6.1. The contributory negligence submission was dismissed in the Corr case. However, the issue of contributory negligence might be evaluated with regard to Lloyds' customers.
- 3.6.2. These customers are not subject to the same regulatory framework as firms. However, the regulator published a draft discussion paper on how consumer responsibilities might be assessed²⁷. The criteria they suggested are still relevant and can be summarised as:
- Reasonableness
 - Good Faith
 - Participation
 - Disclosure
 - Action
- 3.6.3. In conclusion, if a customer passes this test, there is no contributory negligence.
- 3.6.4. Where Lloyds' mistakes, misselling, noncompliant actions and failures to treat a customer fairly result in the customer experiencing damages and distress that causes them to suffer severe depression, it is reasonable to conclude that Lloyds could be held responsible if they go on to commit suicide as a direct result. This would be particularly true if the customer had acted with reasonableness and good faith, had participated with Lloyds, disclosed accurate information requested of them and had acted properly at all times.
- 3.6.5. The challenge in assigning sole responsibility to Lloyds will be in proving that the bank's aberrant behaviour was the proximate cause of a customer's avoidable suicide.

4. The Prospect of Prosecution

4.1. Introduction

- 4.1.1. The second question is, what laws do Lloyds break if they drive a customer to suicide?
- 4.1.2. The Corr case was brought under the Fatal Accidents Act 1976. This is not an appropriate act to bring an action against the bank. We must look elsewhere for a prosecution.

²⁷ [Lloyds / FSA Consumer Responsibility / 2008 12 00 FSA DP08/5](#)

- 4.1.3. The most suitable legislation appears to be the Corporate Manslaughter Act 2007²⁸.
- 4.1.4. Charging Lloyds under this act might seem extreme. However, corrective action is long overdue and if the criteria for bringing a criminal prosecution are met, there is no good reason why such a case should not be brought to curtail future avoidable suicides.

4.2. Taking Action

- 4.2.1. A prosecution might begin with the coroner considering the evidence, assembling a jury and concluding that an unlawful death has occurred²⁹. This is why *The Killing Bank* paper is intended to offer accessible, fact-based evidence for the coroner to evaluate.
- 4.2.2. Although there is no known criminal or coroner case involving a finding of gross negligence under the act causing suicide, the possibility of a conclusion of unlawful killing in this context has been envisaged³⁰. If such a death was repeatable, the coroner would have a duty to take action under the Coroners and Justice Act 2009 Part 7(1) of Schedule 5³¹:

7(1) Where—

- (a) a senior coroner has been conducting an investigation under this Part into a person's death,
- (b) anything revealed by the investigation gives rise to a concern that circumstances creating a risk of other deaths will occur, or will continue to exist, in the future, and
- (c) in the coroner's opinion, action should be taken to prevent the occurrence or continuation of such circumstances, or to eliminate or reduce the risk of death created by such circumstances,

the coroner must report the matter to a person who the coroner believes may have power to take such action.

- 4.2.3. The coroner cannot bring a criminal prosecution but should inform the appropriate authorities of an avoidable, unlawful and repeatable death so that they can take action.
- 4.2.4. It is also possible to bring a private prosecution for corporate manslaughter, although this may require approval from the Director of Public Prosecutions (DPP) and the Crown Prosecution Service (CPS) may decide to take over if this is deemed appropriate³².
- 4.2.5. As corporate manslaughter is a criminal offence, the police might lead an investigation. However, they may need support. This was true with the Reading scandal, where a successful prosecution relied on guidance from whistleblower Sally Masterton³³.
- 4.2.6. Lloyds' malpractices have been raised previously in the Houses of Parliament and members of parliament. They might react if they become aware that consumers are being driven to avoidable suicide due to the aberrant behaviour of one of the UK's largest retail banks. One or more All Party Parliamentary Groups (APPGs) might also take an interest.

²⁸ [Lloyds / Legislation / 2007 Corporate Manslaughter/ Act as Enacted](#)

²⁹ [Lloyds / Coroner / Law Sheets 2 Galbraith Plus](#)

³⁰ [Lloyds / Coroner / Law Sheets 1 Unlawful Killing – Suicide 29.](#)

³¹ [Lloyds / Coroner / 2013 Coroners Act – Part 7 Action to prevent other deaths](#)

³² <https://www.legislation.gov.uk/ukpga/1985/23/section/6>

³³ Lloyds / The Reading Scandal / [2013 09 00 Lord Turnbull Report](#) and [2018 11 14 Insider Whistleblower](#)

- 4.2.7. In the wake of the Post Office Horizon Scandal, there could be calls for a public statutory inquiry during which Lloyds executives would be compelled to give evidence.

4.3. Crown Prosecution Service

- 4.3.1. The ultimate arbiter will probably be the DPP, based on guidance from CPS³⁴, The following would have to be proved to bring a case for corporate manslaughter against Lloyds:

- the defendant is a qualifying organisation;
- the organisation owed a relevant duty of care to the deceased;
- there was a gross breach of that duty by the organisation;
- the way in which its activities were managed or organised by its senior management was a substantial element in the breach; and
- the gross breach of the organisation's duty caused or contributed to the death.

Qualifying Organisation

- 4.3.2. Lloyds is a qualifying organisation because it is a corporation supplying goods or services.

Duty of Care

- 4.3.3. As discussed previously, the generally accepted legal meaning of a duty of care is 'an obligation to exercise reasonable care and skill when providing a product or service and this is, for example, reflected in Principle 2's [FCA, Principle for Business, PRIN 2³⁵] requirement that a firm must conduct its business with due skill, care and diligence'³⁶.
- 4.3.4. It follows that Lloyds owes its customers a duty of care based on the law and standards of reasonable care and skill, defined by statutory principles, rules and guidance, and industry codes and guidance, made mandatory under the Consumer Protection from Unfair Trading Regulations 2008 (CPRs), and this duty of care includes their psychological welfare.
- 4.3.5. Given all the evidence linking malpractice with depression and 'uncontroverted evidence that suicide was a not uncommon sequel of severe depression'³⁷. It must have been obvious to Lloyds that their mistakes, misselling, noncompliant actions and failures to treat customers fairly would cause an increased risk of death through avoidable suicides.
- 4.3.6. In conclusion, Lloyds operates under a comprehensive and codified duty of care designed to protect customers and safeguard their psychological welfare, which it breached.

Gross Breach

- 4.3.7. A charge of Corporate Manslaughter requires that Lloyds be responsible for a gross breach of its duty of care. Section 1(4)(b) of the Act describes a gross breach as follows:

'A breach of a duty of care by an organisation is a 'gross' breach if the conduct alleged to amount to a breach of that duty falls far below what can reasonably be expected of the organisation in the circumstances.'

³⁴ [Lloyds / Legislation / Corporate Manslaughter / CPS](#)

³⁵ [Lloyds / Regulators / Principles for Business / 2020 10 00 FC PRIN Overview](#)

³⁶ [Lloyds / Consumer Duty / 2021 07 30 Bar Council Response](#)

³⁷ [Lloyds / Legislation / 2007 Corporate Manslaughter / 2008 02 27 Lords Thomas Corr](#)

4.3.8. The CPS lists six factors that could indicate a gross breach of a duty of care³⁸. These reference health and safety legislation, which is less relevant to financial services sector malfeasance. Therefore, this list has been adapted slightly as follows:

- whether the defendant failed to comply with ~~any health and safety~~ legislation, statutory regulator principles, rules and guidance, as well industry codes and other professional standards of care and diligence made mandatory under the CPRs;
- if so, how serious that failure was;
- how much of a risk of death the failure posed;
- the extent to which the evidence shows that there were attitudes, policies, systems or accepted practices within the organisation that were likely to have encouraged any such failure;
- the contents of any ~~health and safety~~ guidance that relates to the alleged breach.
- Evidence of failings which are unrelated to the fatal incident may be relevant, insofar as they show a poor attitude to health and safety within the organisation.

Failure to Comply

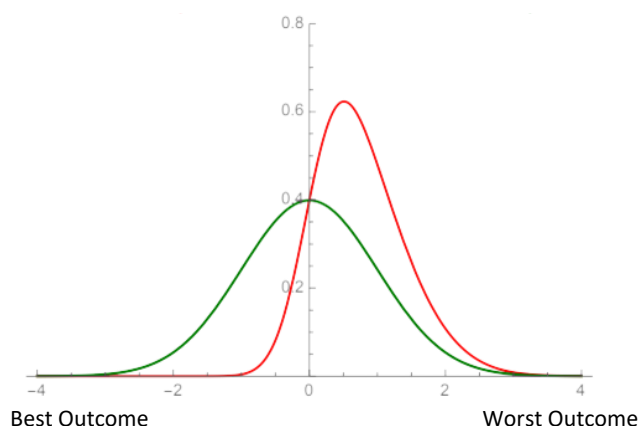
4.3.9. Lloyds broke the law and breached statutory regulator principles, rules and guidance, as well industry codes and other professional standards of care and diligence on innumerable occasions with millions of customers. This is evidenced from the research conducted in the example cases of PPI misselling, noncompliant collections and the Reading scandal.

4.3.10. In these cases, Lloyds had to pay £350 million in fines³⁹ and £23 billion in compensation to the circa eight million customers disadvantaged by these scams and scandals alone⁴⁰.

4.3.11. Details of the specific breaches can be found in the regulator's Final Notices and other documents produced by credible parties, such as Sir Ross Frederick Cranston KC. *Appendix A – Lloyds Response and File Notes* also summarises the evidence of Lloyds' breaches.

Seriousness of Failure

4.3.12. The seriousness of Lloyds' failures can best be expressed graphically as follows:



³⁸ [Lloyds / Legislation / 2007 Corporate Manslaughter / CPS / Legal Guidance - The Gross Breach](#)

³⁹ [Lloyds / Facts Checked / Millions Disadvantaged](#)

⁴⁰ [Lloyds / Facts Checked / Compensation and Fines](#)

- 4.3.13. The green bell curve represents the distribution of outcomes for a compliant bank. The red curve represents the dysfunctional skewed distribution of outcomes at Lloyds, where fewer customers get a good outcome and more get a bad outcome. This skewing of the curve means that far more customers have negative experiences that could lead to stress, severe depression and suicidal ideation and some who can't cope commit suicide.
- 4.3.14. The seriousness of Lloyds' aberrant behaviour must be seen in this context. The problem is not that individual customers are occasionally treated unfairly but rather that enormous numbers are disadvantaged and, inevitably, some are going to be pushed too far. Not all customers experiencing PPI misselling or noncompliant collections, for example, suffered a gross breach. However, the combined and cumulative effects of multiple serious breaches, sometimes over many years, can be much worse than the sum of these actions. Collectively, such malfeasance can constitute a gross breach of Lloyds' duty of care.
- 4.3.15. Lloyds is required under Senior Management Arrangements, Systems and Controls (SYSC)⁴¹ to 'take reasonable care to establish and maintain such systems and controls as are appropriate to its business'. In other words, senior management at Lloyds should have the data necessary to identify where avoidable suicides are occurring and take action. It seems that senior management failed to set up such systems and controls, or worse, they ignored their own data, as they green-lit scams and scandals to exploit their customers.
- 4.3.16. The CML summed this up succinctly in their *Industry guidance on arrears and possessions to help lenders comply with MCOB 13 and Treating Customers Fairly (TCF) principles*⁴²:

Overarching prudential considerations

Current practices – for the purposes of SYSC 4.1.10, review practices in the provision of forbearance provided to assist customers and be mindful of the provisions of Principle 8 (Conflicts of Interest). Ensure that:

- customers are not placed in an even worse position than they would have been otherwise

- 4.3.17. Choosing to operate in a noncompliant manner for so long, while aware this is causing widespread and serious damage to customers, including a potentially quantifiable number of avoidable suicides, constitutes an extremely serious failure in Lloyds' duty of care.

Risk of Death from Failure

- 4.3.18. The FCA defines a vulnerable customer as 'someone who, due to their personal circumstances, is especially susceptible to harm, particularly when a firm is not acting with appropriate levels of care'⁴³. Lloyds' repeated mistakes, misselling, noncompliant actions and failure to treat customers fairly do not constitute 'appropriate levels of care'.
- 4.3.19. This might make stable customers vulnerable, vulnerable customers desperate and desperate customers suicidal from the threat of losing or actually losing, their freedom, their home, their ability to work, their savings and income and services vital for life⁴⁴.

⁴¹ <https://www.handbook.fca.org.uk/handbook/SYSC/3/1.html>

⁴² [Lloyds / Noncompliant Collections / 2011 10 14 CML Industry Guidance](#)

⁴³ [Lloyds / Vulnerable Customers / 2019 07 00 FCA GC19/3 - 2, Vulnerable Consumers, 2.1](#)

⁴⁴ [Lloyds / Noncompliant Collections / 2013 03 00 BBA Lending Code \(revised 2015\) - Debt Recovery Procedures, 217](#)

4.3.20. Given all the evidence linking malpractice with depression and ‘uncontroverted evidence that suicide was a not uncommon sequel of severe depression’⁴⁵, Lloyds must know their aberrant behaviour could cause an increase in deaths through avoidable suicides.

4.3.21. *Dysfunctional Attitudes, Policies, Systems or Practices*

4.3.22. With regard to the extent to which the evidence shows that there were attitudes, policies, systems or accepted practices within Lloyds that were likely to have encouraged any such failure it is rather difficult to know where to start. It is clear that over several decades, Lloyds’ executives have enabled and promoted a culture where mistakes, misselling, noncompliant actions and failures to treat customers fairly are rife. Attitudes, policies, systems and accepted practices at Lloyds have all declined as a direct consequence.

4.3.23. All this supports the conclusion that Lloyds’ operations are systemically dysfunctional.

Senior Management

4.3.24. Reports into Lloyds’ scams and scandals have blamed its executives. For example, in reviewing PPI misselling, the *Changing Banking for Good Report* of the Parliamentary Commission on Banking Standards was particularly scathing of Lloyds executives⁴⁶:

‘Those who followed our hearings may have been surprised when Eric Daniels, the former Chief Executive of Lloyds who presided over massive PPI mis-selling, confirmed to the Commission that ‘we thought that, with our consistent and constant dialogue with the regulators, we were on the side of the angels. We had thought we were listening and responding. I would characterise our board and management as being responsible and responsive during this period’. The words of Sir Howard Davies, on the eve of his retirement from the FSA in 2003, are apt in this context:

‘The biggest disappointment of my time at the FSA has been the failure of firms, in particular their senior management, to learn the lessons of past mis-selling. Sadly, the recent history of the British retail financial services industry is proof of the adage that those who fail to understand the mistakes of the past are condemned to repeat them’.

These words ring particularly true in the light of the allegations on 11 June 2013 about practices at one of Lloyds Banking Group’s PPI complaints handling units.

The Times reported that an undercover reporter was told that ‘some bank salesman had faked PPI information in agreements on loan sales’, but that complaints handlers ‘should effectively turn a blind eye’ to the risk that this had occurred when handling individual complaints. It also reported that:

‘When asked by one trainee why we were not automatically upholding some of the more obviously valid complaints, an executive snapped back: D’you know what? You’re going to get yourself all caught up if you ask ‘why do you not to do it?’ It is what it is’.

If substantiated, these allegations would demonstrate a woeful failure to meet the standards expected by the FCA and by this Commission.’

⁴⁵ [Lloyds / Legislation / 2007 Corporate Manslaughter / 2008 02 27 Lords Thomas Corr](#)

⁴⁶ [Lloyds / PPI Misselling / 2013 06 00 HMG Changing Banking / 2013 06 00 Gov Changing II - Failing to Serve Customers, Mis-selling in the Public Sphere, 30.](#)

- 4.3.25. As of 2023, Lloyds' executives were responsible for the bank having to pay £23 billion in compensation and £350 million in fines⁴⁷ for PPI misselling, noncompliant collections, the Reading scandal and several other scams and scandals that were entirely avoidable. The scale of dysfunction is so enormous that it cannot be attributed to middle management and staff. It is the result of a culture enabled and promoted by senior management.

Cause of Death

- 4.3.26. As discussed in the Risk of Death section, failing to provide 'appropriate levels of care' may make a stable customer vulnerable, a vulnerable customer desperate and a desperate customer suicidal from the threat of losing or actually losing, their freedom, their home, their ability to work, their savings and income and services vital to life. Even the threat of these dire outcomes might be enough to cause a customer to take their own life.

4.4. Other Aggregating Factors

- 4.4.1. In addition to the criteria originating with the CPS, the Sentencing Council has established other aggravating factors that could be held against Lloyds under the Corporate Manslaughter Act 2007⁴⁸. These are founded on health and safety legislation, which is less relevant to the financial services sector, so I have adapted them slightly as follows:

- Cost-cutting *and profiteering* at the expense of ~~safety~~ *treating customers fairly*
- Deliberate concealment of illegal nature of activity
- Breach of any court order
- Obstruction of justice
- Poor ~~health and safety~~ *record of treating customers fairly*
- Falsification of documentation or licences
- Deliberate failure to obtain or comply with relevant licences in order to avoid scrutiny by authorities
- Offender exploited vulnerable victims

- 4.4.2. Lloyds performs very poorly when scored in terms of these other aggravating factors. The systemically dysfunctional culture, apparent across Lloyds's many scams and scandals, satisfies virtually all these criteria. For example, Lloyds' noncompliant, one-size-fits-all collections process - which was outsourced to poorly trained, financially incentivised staff who operated under a 'f*** the customer' culture⁴⁹ - was an object lesson in cost-cutting and exploiting vulnerable customers to generate an arrears charges income stream.

- 4.4.3. Concerning deliberate concealment, one might consider Lloyds' actions in relation to The Reading scandal, where The Financial Times reported that Lloyds 'frustrated a police investigation'⁵⁰. With regard to obstruction of justice, one might also consider Lloyds' actions in resisting legitimate reforms to protect consumers and facilitate compensation claims for those missold PPI. These are a few examples. There are many more.

⁴⁷ [Lloyds / Facts Checked / Compensation and Fines](#)

⁴⁸ <https://www.sentencingcouncil.org.uk/offences/crown-court/item/corporate-manslaughter/>

⁴⁹ [Lloyds / Noncompliant Collections / 2009 04 12 Sunday Times](#)

⁵⁰ [Lloyds / The Reading Scandal / 2019 08 00 12 Masterson Timeline](#)

- 4.4.4. Lloyds didn't breach a court order; they broke the law. For example, Plevin revealed that it contravened the Consumer Credit Act 1974 (CCA) updated 2006, and their multiple fines for failing to treat customers fairly demonstrates they contravened the Consumer Protection from Unfair Trading Regulations 2008 (CPRs) with millions of customers. Given its exploitative policies, Lloyds probably offended public policy under common law.
- 4.4.5. While Lloyds promoted its membership of the British Bankers' Association (BBA), Council of Mortgage Lenders (CML) and Finance & Leasing Association (FLA), it chose to ignore their industry codes. This falsification or 'flying false colours' lulled customers into a sense of security that Lloyds was reputable and trustworthy. In reality, Lloyds remains to this day the world's worst financial services scammer with a systemically dysfunctional culture.

These facts are irrefutable. Overhauling Lloyds' culture and archaic infrastructure will be a huge undertaking and the bank has failed even to acknowledge it has a problem.

5. The Regulator

- 5.1.1. As an agent of the state responsible for protecting consumers, the FCA may be breaching human rights legislation (means of subsistence, adequate standard of living, including adequate food, clothing, and housing, right to work, and enjoyment of the highest attainable standard of physical and mental health) by allowing bank malfeasance⁵¹.
- 5.1.2. Taking corrective action is the moral thing to do but it would also benefit the nation. In its 2024 *The Economic Cost of Suicide in the UK*, Samaritans calculated that suicides were costing the country at least £9.58 billion in 2022⁵² and suicides are the tip of a mountain of misery that is inflating health and social care, universal credit and other welfare costs.
- 5.1.3. For example, research, discussed in *Appendix A - Lloyds Response and File Notes* details how Lloyds' noncompliant collections functions have made things worse for millions of customers in financial difficulties. This included unnecessary damage to their credit histories, which may in turn create a restraint of trade that stops them from working and also makes it impossible for them to buy or rent a home for themselves and their families. The cost of all this will be many times the cost of suicides calculated by Samaritans.
- 5.1.4. The FCA is tasked with encouraging growth. If it resolved these problems, we would see immediate and substantial returns. However, it doesn't even recognise them. A search of its website for 'suicide' and 'restraint of trade' returns nothing of any consequence.

6. Conclusions

- 6.1.1. Lloyds has operated with systemic negligence, profiting from misconduct at the expense of its customers' wellbeing. The link between financial distress and suicide is undeniable, and Lloyds' repeated failings demand urgent action. The question is no longer whether the bank is guilty of malpractice but how long society will allow it to continue. It is time for regulatory bodies, the legal system, and the government to intervene decisively.

⁵¹ [Lloyds / Legislation / 1976 01 06 ICESCR](#)

⁵² [Lloyds / Vulnerable Customers / 2024 03 00 Samaritans Report](#)