

HBOS compensation report delayed for a second time

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Nikki Turner, pictured with her husband Paul, helped to expose the HBOS fraud and has lobbied for fair treatment of small companies by banks

A review into a contentious Lloyds Banking Group compensation scheme for business owners damaged by a banking fraud has been delayed for the second time.

Sir Ross Cranston, a retired High Court judge appointed to look at a Lloyds redress scheme for people damaged by the £1 billion [HBOS scandal](#), has written to claimants to say that “regretfully” his findings will not be revealed this month as planned.

The review was launched in May after an intervention by the Financial Conduct Authority, which shared concerns expressed by those affected by the fraud that a Lloyds redress process was flawed and may have given rise to unfair outcomes.

Owners of small businesses lost out when consultants linked with an HBOS “turnaround” unit in Reading exploited defective business lending processes to steal from the bank, damaging people’s livelihoods in the process. The scam led to the convictions of six people in early 2017, including two former employees of HBOS, the high street bank that Lloyds acquired in 2009.

A compensation scheme had been overseen by [Russel Griggs](#), a banking adviser, and has paid about £80 million in compensation, but it has been dogged by allegations of a flawed methodology and inconsistent payouts.

Sir Ross's report had been expected at the end of September. However, in early September he said that he needed an additional six weeks and that it would be published in mid-November.

Victims were told this week of the further delay. No timeline has been set for publication, although it is understood that Sir Ross hopes to issue it before Christmas.

Nikki Turner, who helped to expose the fraud, said that she hoped the delay was "not being caused by Lloyds or its legal advisers". Ms Turner, 64, a director of SME Alliance, an organisation that campaigns on behalf of small business owners, said: "Justice delayed is justice denied."

Questions remain over why the scam was able to continue unchallenged by HBOS bosses. Anthony Stansfeld, the police commissioner for Thames Valley, the force that investigated the fraud, has put the scale of losses associated with the scandal at £1 billion.

Sir Ross's review is one of three HBOS reports that are yet to be published. Dame Linda Dobbs is reviewing whether Lloyds executives covered up the affair, while the FCA has yet to publish a final report that may result in the censure of bank chiefs.

Sir Ross and Lloyds declined to comment. The FCA did not respond to a request for comment.