

# Serious Fraud Office looking at Lloyds Bank and KPMG claims

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The Serious Fraud Office (SFO) is reportedly examining allegations that Lloyds Banking Group and KPMG drove a property group into administration by saddling it with fees.

Fraud office investigators have been interviewing witnesses over claims the Angel Group was deliberately driven into liquidation, the Telegraph reported.

According to the report, the SFO has not launched a formal criminal investigation, but is considering one after a referral.

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The report said the agency was carrying out a “scoping exercise” after being passed information by City watchdog the Financial Conduct Authority.

The SFO would neither confirm nor deny any possible investigation.

Angel Group was owned by Julia Davey who was once one of the UK’s richest business women.

Her company started off providing accommodation for asylum seekers, before branching out into student rentals and hotels.

The business went into administration in 2012. Its account had previously been transferred to Lloyds’ business support unit which advised it to hire turnaround specialists Baronsmead Consulting, which charged £644,000 for 10 months’ work.

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According to the report, total adviser fees for the struggling company could have topped £6m.

The report said KPMG could also face scrutiny as it acted first as an adviser to the company, then as its administrator, leading to the potential for conflicts of interest.

A KPMG spokesperson said: “We are not aware of the existence of an investigation by the SFO and will cooperate if approached. We wholly reject the allegations posed to us, which we consider to be unfounded and without basis.”

A Lloyds Banking Group spokesperson said: “Lloyds Banking Group is not aware of any investigation by the SFO into allegations made by Julia Davey, Angel Group or Angelic Interiors. We would, of course, assist were one to be launched.”