

## **Before the Arbiter for Financial Services**

**Case ASF 137/2025**

**AH**

**(‘Complainant’)**

**vs**

**Bank of Valletta p.l.c.**

**(C 2833)**

**(‘BOV’, ‘Bank’ or ‘Service Provider’)**

### **Sitting of 24 April 2026**

#### **The Arbiter,**

Having seen the Complaint<sup>1</sup> filed by Complainant against BOV related to their claimed lack of proper payment transaction monitoring which caused her a loss of €577,694.57 which she lost due an investment fraud.

She argues that the Bank failed its duty of care to detect and prevent suspicious activity on her accounts despite clear warnings and, accordingly, seeks the Arbiter’s decision to order full refund of these losses to her from Bank of Valletta.

The payments related to this loss are the following:

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<sup>1</sup> Pages (p.) 1 – 8 and attachments p. 9 – 129.

DATE	AMOUNT €	BENEFICIARY	FOREIGN BANK	REFERENCE
22.11.2022	100,487.18	SPS Swiss Partners Services	UBS - CH	p. 9, 12
23.11.2022	100,481.53	Romet Management BV	AMRO Bank - NL	p. 9, 13
25.11.2023	100,421.61	TMS BROKERS	SANTANDER BANK POLSKA - PL	p. 9, 14
09.12.2022	100,488.83	Romet Management BV	AMRO Bank - NL	p. 9, 15
09.12.2022	100,493.53	Romet Management BV	AMRO Bank - NL	p. 9, 17
21.12.2023	75,361.89	Romet Management BV	AMRO Bank - NL	p. 9, 16
<b>TOTAL</b>	<b>577,694.57</b>			

The source of these funds was a sale of her property for a value of €950,000 relating to which a copy of the deed of sale was given to the Bank for AML/KYC<sup>2</sup> purposes.<sup>3</sup>

She stated:

*'In the period between the Bank between the 22<sup>nd</sup> of November 2022 and the 21<sup>st</sup> of December 2022, a total six high-value transactions amounting to €577,694.57 were executed from my account to third-party recipients who, unbeknownst to me at the time, were operating under false and fraudulent pretences. These individuals had misled me into believing I was investing in a legitimate financial opportunity, when in fact I was being scammed.'*

<sup>2</sup> Anti Money Laundering/Know Your Customer

<sup>3</sup> P. 25 - 31

*These transactions were made with the intention of securing a safe and stable income for myself. I genuinely believed I was purchasing legitimate bonds issued by EU Banks. Hence, all this was simply a prudent attempt to protect my savings.*

*Due to the size of these payments, I was required to contact the Bank directly to obtain authorisation before the transactions could be made, in line with the limits on my account. When I did so, although I explicitly informed the Bank that the payments were for investment purposes, I was never questioned as to whether I had ever invested before or whether I knew who I was investing with. Moreover, the documentation from VKD invest, which was the entity I believed I was investing through, was never requested by the Bank.*

*The Bank also failed to inform me of any suspicious activity during or immediately after these transactions. It was only on 30<sup>th</sup> May 2023, more than five months after the last transaction, that I was informed during an internal review that these payments were suspicious. Although I do appreciate the heads up by the representatives of the Bank, this delay, in my view, is unacceptable and represents a fundamental failure in the Bank's fraud monitoring and customer protection systems, especially when considering that at this stage it was impossible to obtain a refund back.*

*At no point during the 17-day period in which these large and atypical transfers were made was I contacted, warned, or questioned by the Bank. Given the size, the frequency and unusual nature of these transactions – especially considering my prior account activity – I believe it was the Bank's duty to act with due diligence and care to protect me as their customer.*

*The Bank has also failed to assist me meaningfully after the fraud was discovered. When I asked whether their fraud department would investigate, I was simply told I could request a fund recall, but only if I paid for it upfront. I did so, but I was never given any documentation or confirmation of the recall process, despite formally requesting this information multiple times. This lack of transparency and assistance has only added to the distress caused by the fraud.*

*In addition to the significant financial loss I have suffered, the emotional and psychological toll of this experience has been considerable. I trusted the Bank to*

*safeguard my funds, but I feel that this trust has been severely violated. The Bank did not act in accordance with the standards expected of it.”<sup>4</sup>*

## **Reply**

Having seen the Bank’s reply dated 04 August 2025, wherein they state:

*“The Bank’s point of view*

*Whereas, with reference to the transactions listed by the complainant and executed between the 22nd of November 2022 and the 21st of December 2022, the Bank respectfully submits that each of these transactions was carried out pursuant to clear and legitimate instructions received directly from the complainant through the appropriate and authorised banking channels. Notably, the complainant executed a high-value transaction of €300,000 on the 21st of November 2022, just one day prior to the alleged fraudulent activity, without raising any concerns or reporting it as suspicious.<sup>5</sup> This demonstrates that the complainant was familiar with the Internet Banking process and the execution of payment orders and had previously engaged in similar transactions independently and confidently. The Bank therefore submits that the complainant’s conduct reflects a level of financial autonomy and operational familiarity that contradicts the assertion of vulnerability or lack of awareness;*

*Whereby Article 40(1) of Directive No. 1 of the Central Bank of Malta states that:*

*“A payment transaction is considered to be authorised only if the payer has given consent to execute the payment transaction. A payment transaction may be authorised by the payer prior to or, if agreed between the payer and the payment service provider, after the execution of the payment transaction.”*

*Whereby this provision clearly establishes that the determining factor for authorisation is the payer’s consent. In this case, the complainant personally and repeatedly authorised each of the transactions in question through secure and authenticated channels. The Bank acted upon these instructions in good faith and in accordance with its legal obligations;*

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<sup>4</sup> P. 3

<sup>5</sup> Refer to p. 83 of the Complaint, where a Statement of Account for the account ending in 675 shows an internal transfer of €300,000 to another held in the complainant’s name.

*There was no indication of coercion, incapacity or fraud at the time of execution that would have invalidated the complainant's consent. Therefore, the transactions were validly authorised under Maltese law, and the Bank had no legal basis to withhold or question them in the absence of red flags;*

*Whereas the Bank respectfully submits that as will be confirmed throughout the proceedings, the complainant was contacted by the Bank after receiving a formal alert from ABN Amro Bank N.V. (Netherlands), which is a systemically important EU bank, indicating that the complainant may have been the victim of fraud;*

*Whereas it is significant to note that ABN Amro itself had no prior indication that its' own customer was acting fraudulently. Their alert was issued only in February 2023, well after the complainant's transactions had been executed (between 22nd November and 21st December 2022). This demonstrates that no publicly available or regulatory intelligence existed at the time that would have enabled the Bank to identify the transactions as suspicious;*

*Whereas under the Prevention of Money Laundering and Funding of Terrorism Regulations (PMLFTR) and the FIAU's 2023 Guidance Note on Transaction Monitoring, subject persons such as banks, are required to implement ongoing monitoring systems to detect unusual or suspicious activity. However, the guidance also acknowledges that transaction monitoring must be risk-based, and that not all high-value transactions are inherently suspicious, particularly when:*

- i. The source of funds is well-documented (as in this case, from a property sale financed through BOV);*
- ii. The transactions are executed through secure channels and in accordance with the customer's established profile and transactional behaviour;*
- iii. There is no adverse intelligence or behavioural anomaly at the time.*

*Whereas the Bank's transaction monitoring framework in 2022 was fully compliant with local and EU standards, and in fact exceeded the local norm for institutions of comparable size and scope. The FIAU's 2021 administrative measure against the Bank related to beneficial ownership documentation, not transaction monitoring. This distinction is critical, as it reinforces that no*

*systemic deficiencies were identified in the Bank's monitoring systems during or prior to the period in question;*

*Whereas the complainant's behaviour (transferring proceeds from a property sale to third parties) was not inherently suspicious in context. She was a non-local client with a legitimate source of funds, and there is no evidence that she disclosed the purpose of the transactions or requested any form of advisory support. The Bank is not legally obliged to question a customer's intentions in the absence of red flags, nor is it required to document every verbal interaction unless the transaction is deemed high-risk under AML/CFT criteria;*

*Whereas the Bank acted in good faith and in full compliance with its obligations under law. The complainant's loss, while unfortunate, was a result of a sophisticated external fraud that could not have been reasonably foreseen nor prevented by the Bank at the time of the transactions;*

*Whereas the complainant states that "I was never questioned as to whether I had ever invested before or whether I knew who I was investing with. Moreover, the documentation from VKD invest, which was the entity I believed I was investing through, was never requested by the Bank."<sup>6</sup>;*

*Whereas the complainant alleges that the Bank 'failed' in this regard, however, the Bank categorically denies any obligation to assess the commercial soundness of a client's chosen investment or to question the client's financial decisions in the absence of any indication of vulnerability, coercion or incapacity;*

*Whereas the complainant voluntarily and repeatedly authorised the transactions in question, and on occasion contacted the branch to facilitate their execution due to the amounts involved. As will be explained throughout the proceedings, the complainant requested an increase in her banking limits, stating that she was transferring funds from her BOV account to accounts held outside Malta. At no point did the complainant disclose any information suggesting that the transfers were related to investment activity, and Bank representatives were not made aware of any such purpose;*

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<sup>6</sup> P. 3 of the Complaint

*Whereas the complainant's assertion that the Bank should have requested documentation from VKD Invest presupposes a duty of financial advice which the Bank does not assume. The Bank was not acting as a financial advisor in this instance and is not legally obliged to vet or validate third-party investment schemes selected by its clients, especially where the client acts independently and with apparent confidence;*

*Whereas the Bank acted in accordance with its legal, regulatory and contractual obligations, and any suggestion that it should have intervened in the complainant's investment decisions, absent any indication of fraud or incapacity, would amount to an impermissible intrusion into the client's autonomy and financial freedom;*

*Whereas the Terms and Conditions of the 24x7 service which Ms. AH used to approve the transactions, provide that:*

*"If you ask us to make a payment immediately, we cannot change it or cancel the payment instruction because we start processing it when we receive it."*<sup>7</sup>

*Therefore, the Bank's obligation was to process the transaction as authorised by the complainant once it was received.*

*Whereas the complainant alleges that the Bank failed to offer any genuine assistance or accountability following the discovery of the fraud, the Bank categorically denies this assertion and submits that it acted promptly, diligently and in good faith once the fraudulent nature of the transactions became known;*

*Whereas the Bank's Customer Resolutions Unit (CRU), upon confirmation of the fraud in late May to early June 2023, immediately initiated appropriate remedial measures, including the initiation of SEPA and SWIFT recall procedures, the filing of police reports and the escalation of the matter to the relevant foreign beneficiary banks, as documented in the Bank's internal records;*<sup>8</sup>

*Whereas the Bank maintained communication with the foreign institutions involved, despite the significant limitations posed by international banking secrecy laws, particularly in jurisdictions such as Switzerland, which restricted*

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<sup>7</sup> DOC.A: 'BOV 34x7 Services – Important Information and Terms and Conditions of Use' page 6

<sup>8</sup> DOC.B: Extracts from the recall request

*the Bank's ability to obtain information or recover funds once they had been withdrawn by the fraudsters;*

*Whereas the Bank denies that it failed to act upon receipt of this payment and notes that the complainant was not misled or ignored, but rather that the outcome of the recall efforts was constrained by the timing of the fraud's discovery and the actions of the third-party recipients;*

*Whereas the Bank's internal investigation and subsequent actions were consistent with industry standards. The Bank did not delay or avoid responsibility but rather took all reasonable steps available under the circumstances to assist the complainant in mitigating the consequences of the fraud;*

*Whereas the complainant's dissatisfaction with the outcome of the recall process does not equate to a failure of assistance or accountability on the part of the Bank. The Bank cannot be held liable for the actions of international fraudsters or for the legal and procedural barriers that prevented the recovery of funds once they had left the Bank's control;*

*Whereas the Bank therefore submits that it provided all reasonable post-incident support, acted transparently and in good faith and fulfilled its obligations to the complainant both procedurally and substantively;*

*Whereas the Bank did maintain communication with the complainant and made reasonable efforts to provide updates within the limits of what was legally and operationally possible;<sup>9</sup>*

*Whereas the complainant characterises her actions as a "prudent attempt to protect [her] savings,"<sup>10</sup> the Bank respectfully submits that this assertion is wholly inconsistent with the facts and the objective standard of prudence expected of a reasonable investor;*

*Whereas the complainant voluntarily transferred a total of €577,694.57 to unknown third parties over a 17-day period without conducting any independent due diligence, without seeking professional financial advice and without*

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<sup>9</sup> DOC.C: Email communication

<sup>10</sup> P. 3 of the Complaint

*verifying the legitimacy of the purported investment entity (VKD Invest), whose documentation she now claims was never requested by the Bank;*

*Whereas prudence requires a degree of caution, verification and informed decision-making, particularly when dealing with high-value investments. The complainant's failure to request or present any documentation, prospectus, regulatory registration or contact details for VKD Invest undermines her claim of acting prudently;*

*Whereas the Bank is not, and cannot be, the guarantor of a client's investment decisions, especially where the client acts independently, authorises each transaction and provides no indication of uncertainty or vulnerability. The complainant's conduct was inherently risky and falls far short of the standard of care expected of a prudent investor;*

*Whereas the Bank reiterates that it had no legal or regulatory obligation to question the complainant's investment strategy or to intervene in the absence of any objective red flags. The complainant's attempt to shift responsibility for her own investment choices onto the Bank is both legally unfounded and factually inaccurate;*

*Whereas, it is somewhat contradictory, if not ironic, that the complainant now alleges a failure in the Bank's duty of care, while simultaneously acting in such a careless manner."<sup>11</sup>*

The Bank accordingly requested the Arbitrator to rule that the Complainant's claims are unfounded both in fact and at law and that her claims should be refused once she had authorised the payments and behaved negligently in not seeking any professional advice for making substantial investments.

BOV also pointed out that in terms of Article 21(3) of Chapter 555 of the Laws of Malta, the portion of the claim exceeding €250,000 (excluding interest and costs) falls outside the jurisdiction of the Arbitrator.

## **Hearings**

At the first hearing of 20 January 2026, the Complainant confirmed:

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<sup>11</sup> P. 139 - 144

- In October 2022 she had received €900,00 from sale of her property.
- She issued a payment of €211,00 to acquire a new property.
- She transferred €300,000 to her own account with Santander.
- She made the above-listed payments for investment purposes.
- As the limit on daily transfers on her BOV account was €10,000, she made a request for each of the five payments for increase in the limit explaining the payment was for investment purposes.
- Beyond that generic explanation, the Bank made no enquiry about the investments she was making.
- It was on or about 30 May 2023 that the Bank informed her by phone that they received information from AmroBank NL that there was suspicion of fraud on the account she had transferred four of the six investment payments. Before that she had not suspected any fraud.
- She said the Bank gave her no help in trying to retrieve her payments beyond making normal 'recalls'.
- She explained she had a degree level of education, and she generally worked in travel and tourism. In Hong Kong, she worked for UNHCR (UN agency for refugees) and she made small monthly safe investments with her Hong Kong bank.

Under cross examination, she said:

***“Asked how I became aware of the company I decided to invest with, I say that I decided to deposit what to me was a large amount of money in bank deposit accounts. And I was researching rates for euro accounts with European banks.***

***And the reason for this was I was aware at that time that the inflation was very, very high and I was looking for the best income return. I Googled European interest rates, basically, because I intended to put some in my UK bank account.***

***But, in order to take advantage of the guaranteed amount by the government, should a bank fail, I decided to split it between banks. And this was why I was looking for rates for Euro.***

***When I requested information on European bank rates, I put my name in and my telephone number, and this is when I was contacted by this particular company.***

***It is said that when I made these transactions, the bank asked me for supporting documentation for the investments. Asked whether this is correct, I say, no. I was not asked for any information regarding the investments I was making. I volunteered that I was sending the funds for investment purposes.***

***I had the information with me each time, but I was not asked to show any of the documentation that I had.***

***Asked when I showed this documentation whether I asked the bank .... I say I did not show any documentation because I wasn't asked to show documentation.***

***The only documentation that was requested of me was where my funds originated from, which was the deed of sale of my house.***

***Asked whether the declarations I attached with my complaint supporting the transactions I made were presented to the bank, I say, no. The bank had no interest in what I was doing with the money.***

***The bank were interested in where I received it from only, where I was sending it to, as I freely told them, I was making an investment, and that was it. As far as I was concerned, I was buying bank bonds. Obviously, I wasn't because I was defrauded, but that's what I believed, and that's the information I gave, volunteered. I was not hiding it.***

***Asked whether, when I went to the bank to make this investment, I asked BOV for their investment options or whether I asked BOV for financial advice, I say that, initially, I had previously made an appointment with a financial advisor with Bank of Valletta, and I went to the office in Victoria and we had a discussion, and I came away with no information. Basically, it was a rather turbulent time. We discussed it and, basically, I was told it really wasn't the best time for investing because at that period of time, the financial markets were very much in turmoil. And this is the reason I settled on depositing the money in a bank to earn interest which I considered a safe option. And, unfortunately, when the bank bonds were offered, they seemed like a safe option. And that is why I decided to invest in them.”<sup>12</sup>***

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<sup>12</sup> P. 179 - 180

***“Asked whether we agree that the deposit of around €900,000, is not part of my normal account activity, or would I consider it to be part of your normal account activity, I say, absolutely not.***

***It’s not normal. I sold my property in order to downsize and free up the capital so that I could make an income from it.***

***It is said that on pages 36, 41, and 43 of my complaint, I attached a declaration saying that the transfers were going to be made for investment purposes, and then, they were going to be moved to my own account.***

***Asked what do I mean exactly by own account, what account was it, I say, I have a bank account in the UK, and I transferred €300,000 to my bank in the UK. And that was from the amount that I deposited***

***I am told that it is not just the €300,000; there is one for \$80,000.***

***‘I, AH would like to transfer \$80,000 to my own account for investment purposes.’ (page 36)***

***I say that the only place that I would be transferring from the BOV at that time, before I made these transfers to the overseas bank, the only bank would be my own account in the UK, and I transferred some proceeds of the sale of the house because I was going to make a deposit account in the bank in the UK.***

***My aim in the future was to buy a property, but the property markets and the financial markets at that time were very rocky. So, I decided to invest it for a year in order to earn some interest, at least to keep up with inflation. So, any money that I transferred to my own account, went to my bank in the UK.***

***Asked whether these three declarations are referring to money being transferred to my own account, I say that I do not have them at hand and have to check them out.***

***Dr Luana Vella reads these declarations:***

***‘I, AH would like to transfer €80,000 to my own account for investment purposes.’ (page 36)***

***There is another one where the amount stated is €600,000.***

***‘I am going to do 2 payments of €300,000 each. The money proceeds from a sale of property.’ (page 41)***

***And another one:***

***'I will do 2 transactions of approximately €100,000 each.' (page 43)***

***Asked whether all these were all transferred to my bank account, I say that the only amount that was transferred to my own bank account was €300,000.***

***The other amounts were transferred to the fraudulent accounts. It wasn't my own account.***

***Asked what I mean by 'my own account' on these declarations, I say, I really don't know***

***The Arbiter interjects to state that he has in his records a statement from Santander (page 38 of the process) which he understands to be the home UK bank, which the client is referring to, which shows a credit entry of nearly €300,000.***

***So, that corresponds to the evidence which she had given that she transferred €300,000 to her UK account. Now, these declarations, if you add them all together, there are €80,000, €600,000 and €200,000.***

***Now, it is clear that these declarations were only partially executed to her bank account in the UK, so, between the time she signed these declarations and the actual transfers, something has changed. And only €300,000 seems to have gone to the UK.***

***The Arbiter states that, apparently, there was a change of heart because only €300,000 were actually transferred.***

***Dr Luana Vella states that she would like to make it clear that these are the declarations that the Complainant provided to the bank. And the key point is 'my own account'.***

***I say that I only transferred €300,000 to Santander. The remaining amount remained in my bank account in Bank of Valletta. That money in Bank of Valletta was sent in incremental payments to the scammers' accounts.***

***Several were for €100,000, and one was for €75,000, plus, plus.***

***I think you have the statements and the documents. I'm finding it quite difficult to get them all together here at the moment, because I've got no internet, and I can't send anything through to you.***

***It is said that on page 84 of the complaint, there are two transactions of €100,000 each dated 5th of December, 2022. There is a total of €200,000 deposited into my account.***

***Asked to explain, I say the money that I had was in the UK. The person who was scamming me advised me to return it to Malta because it would be easier with less formalities to send it from my Maltese bank account than from my English bank account.***

***That's the reason. I have supplied all the emails and information surrounding the scams; and the payments were made from my account with Bank of Valletta.”<sup>13</sup>***

A second hearing was held on 02 March 2026 for the proofs of the Bank.

Keith Vella, Deputy Money Laundering Reporting Officer of BOV, stated:

- For every request made to increase limits Complainant had signed a declaration she was making investments or transferring funds to her own account (with Santander)
- Complainant deposited €910,765 to her account in October 2022 and provided evidence of its source from sale of property.
- The beneficiaries of the transfers, their jurisdiction and the Banks to whom the funds were transferred (all listed in Table above) were given green light by their screening systems (both pre-transaction and post-transaction systems) as they were all respectable jurisdictions/banks and nothing adverse was found on the beneficiaries.
- All transactions subject of this Complaint were considered within the risk profile of the customer especially as she had declared receipt of large bullet income from sale of property.

Under cross examination:

***“Asked with regard to the monitoring and screening, whether I can confirm if this process is done through a software system or manually with human intervention, I say that this is standard automated. However, when a client goes to a branch, transaction monitoring is also done manually.***

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<sup>13</sup> P. 181 - 183

***Asked whether a client when making a transfer of €100,000 is assessed by a person or by software, I say that if the client goes to a branch, it is assessed manually by the teller or clerk. If an alert is generated, a team analyses the transaction that triggered it, and there are escalation processes through the bank according to the law.***

***Asked whether I recall if they were vetted by any person, I say that the system did not flag them for the reasons I explained. And, manually, with every request of the client to increase the limit, she was asked why this increase in limit was needed.***

***It is said that that would be the human intervention. I say, exactly.***

***It is said that when AH wanted to send money to ABN Amro, that was not vetted again, it was vetted before at the branch level.”<sup>14</sup>***

The Bank also produced the evidence of an executive responsible for recall related to the fraud payments.

He reported that the recalls of the four payments made to Amro Bank NL, which had been signalled as potentially fraudulent by Amro themselves in May 2023, were unsuccessful as there were no funds left in the account the funds were credited to. UBS CH and Santander PL, recipient of the other two payments, had replied that they cannot give information due to ‘legal’ reasons related to their jurisdiction and the recall was accordingly also unsuccessful.

As recalls were made several months following the payments, it is normal for recalls to fail as fraudsters are generally quick to remove funds from the recipient account to avoid confiscation.

From the evidence, it resulted that there was a gap of some three weeks from the date when BOV received signal of potential fraud from Amro and the date when this was notified to Complainant.

### **Final Submissions**

In their final submissions, the parties largely restated their case as explained in the Complaint, the reply and the evidence during the hearings.

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<sup>14</sup> P. 187 -188

## **Analysis and considerations**

The Arbiter will adjudicate the case as provided in Article 19(3)(b) of Chapter 555 of the laws of Malta with reference to what, in his opinion, is fair, equitable and reasonable in the particular circumstances and substantive merits of the case.

The main arguments brought by Complainant to support her claim that the Bank is responsible for her losses are:

- 1. The Bank should have realised that the payments she was making for investment purposes were untypical of her past performance.**

The Arbiter does not agree with this argument. It is obvious that once a client deposits a sum of over €900k from sale of property, it is normal and expected that a client would make payments untypical of past performance so that proper economic use is made of the funds generated from the sale of property.

- 2. The Bank should have made detailed enquiries about the credentials of the beneficiaries to whom she was sending the funds for investment purposes.**

Complainant confirmed that she did not ask for any investment advice from the Bank when making the transfers subject of this Complaint.

*“Asked whether when I went to the bank to make this investment, I asked BOV for their investment options or whether I asked BOV for financial advice, I say, that, initially I had previously made an appointment with a financial advisor with Bank of Valletta and I went to the office in Victoria and we had a discussion and I came away with no information. Basically, it was a rather turbulent time. We discussed it and, basically, I was told it wasn’t really the best time for investing because of that period of time, the financial markets were in turmoil. And this is the reason I settled for depositing the money in a bank to earn interest which I considered a safe option. And, unfortunately when bank*

***bonds were offered, they seemed like a safe option. And that's why I decided to invest in them.***<sup>15</sup>

She further confirmed that the investments she made were not identified, recommended by or discussed with the Bank as she was not satisfied with the Bank's reply that it was not the best time to invest due to market turmoil (caused by Russia's invasion of Ukraine in February 2022).

The Arbiter does not see any failure on the part of the Bank as claimed. Complainant disregarded the Bank's advice to postpone the investment to better times. On her own initiative, without seeking any professional advice, she invested negligently without proper research on the credentials of the organisations with whom she was trusting a big chunk of her liquidity.

The Bank had no obligation to give any investment advice not asked for. The beneficiaries to whom she had sent the funds did not feature in any publicly available fraudulent reports; in fact, Complainant had no idea of her being scammed before Amro reported their suspicions to BOV in May 2023.

**3. The Bank prejudiced her position by taking 3 weeks to inform her of Amro's suspicion of fraud and by not actively seeking to recover her funds beyond making unsuccessful recalls.**

No evidence was presented to support these suppositions. On the contrary, it is quite normal for recalls not to succeed unless made immediately after the transfer of funds, before fraudsters have time to lay their hands on the funds transferred.

The gap of three weeks until the Complainant was informed of Amro's suspicion of fraud is not ideal. BOV should have informed client with due despatch. However, in no way it can be argued that the delay prejudiced Complainant's prospects of recovery.

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<sup>15</sup> P. 179 - 180

## **Decision**

**No argument has been made that Complainant has not herself authorised the payments complained of without seeking any advice from BOV.**

**For reasons above explained, the Arbiter finds no fault which can be attributed, even partially, to Bank of Valletta, and is accordingly dismissing this Complaint.**

**Each party is to bear its own costs of these proceedings.**

**Alfred Mifsud**

**Arbiter for Financial Services**

### **Information Note related to the Arbiter's decision**

#### *Right of Appeal*

The Arbiter's Decision is legally binding on the parties, subject only to the right of an appeal regulated by article 27 of the Arbiter for Financial Services Act (Cap. 555) ('the Act') to the Court of Appeal (Inferior Jurisdiction), not later than twenty (20) days from the date of notification of the Decision or, in the event of a request for clarification or correction of the Decision requested in terms of article 26(4) of the Act, from the date of notification of such interpretation or clarification or correction as provided for under article 27(3) of the Act.

Any requests for clarification of the award or requests to correct any errors in computation or clerical or typographical or similar errors requested in terms of article 26(4) of the Act, are to be filed with the Arbiter, with a copy to the other party, within fifteen (15) days from notification of the Decision in terms of the said article.

In accordance with established practice, the Arbiter's Decision will be uploaded on the OAFS website. Personal details of the Complainant(s) will be anonymised in terms of article 11(1)(f) of the Act.