

## **The complaint**

Mr C complains Lloyds Bank PLC unfairly closed his bank account and provided him with poor service.

## **What happened**

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr C contacted Lloyds about transactions he didn't recognise on his account. Mr C explained he didn't use the account and he was concerned Lloyds hadn't flagged these transactions with him. Lloyds reviewed the account history and explained it seemed Mr C was actually regularly using the accounts. Lloyds asked for specific details about the transactions Mr C didn't recognise so it could conduct a full review. Based on Mr C's account activity and comments regarding the transactions Lloyds didn't refund the transactions Mr C had questioned.

As part of its review of Mr C's accounts Lloyds took the decision to close his account. Mr C contacted Lloyds when he received notification of the closure, and he raised a data subject access request (DSAR).

Lloyds reviewed Mr C's concerns and found it had acted fairly and in line with the account terms and conditions when it decided to close Mr C's account. Lloyds did however accept it could've handled aspects of the service Mr C was given better. This included the handling of Mr C's call with Lloyds and the delays in processing his DSAR.

Mr C was unhappy with Lloyds' response and referred his complaint to our service for review. An investigator looked at Mr C's concerns and found the account had been fairly closed, and the compensation offered by Lloyds for poor service was fair.

Mr C remained dissatisfied, so his complaint has been passed to me, an ombudsman, for a final decision.

## **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

As a starting point I have considered Mr C's report to Lloyds about transactions on his account he didn't recognise. Mr C explained he didn't use his account and it was only upon a recent review that he noted payments which he didn't recognise. Mr C was concerned these transactions weren't flagged to him by Lloyds, as he felt there was an ongoing issue with his account being compromised.

Lloyds is under regulatory obligations to ensure it has effective systems in place to protect its accounts from fraud. This will include monitoring activity on its customers' accounts and flagging transactions which its systems consider to be unusual or suspicious. However, this

monitoring isn't able to pick up on all activity. In many cases fraud is detected by the account holder, and the key issue is the steps taken once a bank is made aware of the fraud. In Mr C's case Lloyds cancelled his card and issued a new one, and his report prompted a review of Mr C's accounts.

As part of Lloyds' review it looked at Mr C's statements and it found there had been transactions of a similar nature to the same merchant. Mr C also confirmed during a call he had made transactions to this merchant for his mother in the past on his accounts. As part of Lloyds' review of Mr C's complaint, it said it could review the transactions he didn't recognise in full, and it asked him to provide details of the transactions he wished to claim. I think Lloyds has acted reasonably here, and I wouldn't expect it to take any further steps based on the information provided by Mr C.

Following Lloyds review of Mr C's accounts, it took the decision to end its banking relationship with Mr C and close his Lloyds account. Banks can close a customer's account if they wish to, and don't have to give a reason – in the same way that customers can choose to close an account and don't have to give a reason. Banks can also close accounts without giving notice in some circumstances. I can see Mr C was given notice of the impending closure, and this provided him with a specific timeframe to make alternative arrangements.

I appreciate Lloyds' decision has caused Mr C concern and stress. Mr C has also explained his health issues, and I know Lloyds' decision will have had an impact on his overall well-being. However, I can't see that Lloyds has acted unfairly here. Mr C says his account was closed due to historic claims he had made, and he was told this during a call. I can see this has been upsetting for Mr C, as he feels he is being penalised for raising legitimate concerns about poor service. I can see the relationship between Mr C and Lloyds hasn't always been easy, and the phone calls convey Mr C's frustration with the service provided. From what I can see the historic issues may have been a factor in Lloyds' overall decision-making process. But I must highlight banks will look at a range of factors when deciding whether to end a banking relationship with a customer.

Lloyds accepts the service Mr C received at times has been poor. Lloyds has offered Mr C £138 in recognition of the impact this had on Mr C. This is made up of £120 for the service issues, and £18 for the cost of calls Mr C made. This payment is also in recognition of the delays in processing Mr C's data subject access request. Having considered the timeline of events, and the calls, I think the compensation paid to Mr C is fair and in line with the recommendations this service makes for service failings.

I know this will not be the outcome Mr C was hoping for and he will be disappointed with the decision I've reached. But I hope my decision provides some clarity around why I won't be asking Lloyds to take any further action.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 10 April 2024.

Chandni Green  
**Ombudsman**