

The complaint

Mr W has complained about his treatment by Lloyds Bank PLC when he reported being a victim of fraud.

What happened

In May 2023 Mr W raised his concerns about fraud on his account. He'd seen transactions he didn't recognise that had used his debit card details. Lloyds rejected Mr W's claim.

Around the same time Mr W's wife was diagnosed with a terminal illness but he noticed the fraud continued. He reported further fraud to Lloyds in July, August and September but Lloyds didn't refund Mr W until October when they accepted they'd made an error. Lloyds paid Mr W £80 in compensation.

Mr W felt this was inadequate and brought his complaint to the ombudsman service.

Our investigator felt Lloyds should pay more compensation to Mr W. She asked them to pay a further £300. Lloyds agreed to do this.

Mr W remained unhappy. He's asked an ombudsman to review his complaint.

Throughout this complaint, Mr W has been represented by his sister because of his wife's health. For ease I will refer primarily to Mr W.

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.

Having done so, I've reached a slightly different outcome to our investigator. I'll explain why.

Firstly I believe there's no doubt Mr W was a victim of fraud. I appreciate issues were confused slightly by Mr W not being able to log onto his online banking, but I see no reason why Lloyds didn't accept that the disputed transactions were indeed fraud. Particularly as I note from Lloyds own notes that *"it's a decline even though it looks like fraud"*.

This means that Lloyds did little to help Mr W when he was going through traumatic personal issues as well as trying to manage everyday issues as well. If Lloyds had taken action in May 2023 when the fraud was first reported – for example, cancelling Mr W's debit card and replacing it – then the issues would not have exacerbated over the following five months.

It's clear from Mr W's persuasive testimony that he was keen to see Lloyds punished for what had happened. I can appreciate why he may feel this – based on what he has gone through – but I've explained that's not the basis we use when deciding what a fair and reasonable outcome is.

What is key to my decision is Lloyds not taking action to shut down the fraud when they had that opportunity and the impact this all had on Mr W, considering his personal circumstances

at the time. There's obviously nothing that Lloyds can do about Mrs W's health, but I believe their actions will have impacted Mr W more than it may have done if his wife hadn't been so ill.

Putting things right

I have already been in touch with both Lloyds and Mr W to explain that I believe £600 in total compensation would be fair and reasonable. Mr W accepted this outcome.

Lloyds provided a rather confusing response by agreeing that a total of £280 would be fair. Since this is actually £20 less than the amount they agreed in March 2024, I went back to them to confirm what I was asking them to pay. They've since confirmed they will accept this outcome so I'm satisfied there's no requirement to complete a provisional decision.

I believe Lloyds has already paid Mr W £80. This means they need to pay a further £520.

My final decision

For the reasons given, my final decision is to instruct Lloyds Bank PLC to pay Mr W a further £520 for the distress caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 13 June 2024.

Sandra Quinn
Ombudsman