

The complaint

Mr W complains that Lloyds Bank PLC blocked his account and wouldn't unblock it without him coming into a branch, despite him being abroad.

What happened

In September 2023, when he was abroad, Mr W transferred a large sum of money to his Lloyds account. He then attempted to transfer a large sum to a savings account with a different provider, but the transaction was blocked. He tried again a few days later and then reduced the amount he was transferring, but Lloyds didn't allow the payments to go through.

Mr W says that he then made over forty phone calls to Lloyds over a week but only got through successfully five times. During one of the first such phone calls he was asked questions about his account, particularly when he went abroad. The adviser noted that he appeared to have used his debit card in the UK during the period he was abroad. The line then cut off but in the absence of a satisfactory answer to the question, the account remained blocked for online payments.

During his subsequent telephone calls with Lloyds, Mr W asked for the account to be unblocked. However, in light of its concerns about the use of the account, Lloyds said that he would have to come into a branch in the UK. It said that he was still able to use his debit card (subject to the daily limit).

In light of that Mr W had to return to the UK and visit his local branch. He was successful in getting his account unblocked. He complained to Lloyds that it had been unreasonable in expecting him to return to the UK and felt that it should have been able to unblock his account over the telephone. He claimed the cost of his flights.

Lloyds said that the activity on the account made it worry that it wasn't Mr W making payments, so it applied the block. All blocks were applied in line with its fraud prevention measures and processes. To ensure that it isn't removing blocks for third parties, it sometimes needs to see the customer face to face to make sure that these were genuine transactions.

On referral to the Financial Ombudsman Service, our Investigator said that Lloyds had given a reasonable explanation as to why Mr W's account was blocked, and why it needed to verify him in branch. Because of this, he couldn't say Lloyds acted outside of expectations or treated him unfairly.

Mr W didn't agree and the matter has been passed to me for an Ombudsman's consideration.

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.

All Banks and financial institutions are required to have rigorous fraud checking systems in place. This means that if transactions take place on an account which are unusual, in the sense that they are not a regular payment or regular payee, and/or it is a transaction for a large amount then a fraud alert will be triggered. This can usually be unblocked by a phone call when a security verification will take place. Unfortunately in Mr W's case when he called Lloyds the adviser was concerned the transaction he sought to unblock had not been made by him. This was because he told Lloyds that he had been out of the country from a certain date, but there was activity on the account to show that at that time transactions had taken place within the UK. Also the adviser could hear somebody talking to Mr W in the background telling him what to say.

I appreciate that there was a wholly rational explanation for this, but I think it's understandable that Lloyds decided that it would not unblock the account (online transactions) until Mr W could come into a branch. Regrettably, because of the prevalence of online fraud, this does mean that genuine customers such as Mr W are inconvenienced. Having listened to the phone calls, the advisers went to some lengths to find out whether it would be possible to unblock the account over the telephone.

Lloyds' decision was that Mr W would still have to come into a branch to get the account unblocked in person. Mr W had access to money, could use his debit card and had access to a credit card. He told Lloyds that he had a bank account in the country he was visiting. I note Mr W's question about would have happened if he hadn't had another credit card to pay for his ticket, but as that didn't arise, I can't take it into account. His reason for wanting the online transactions to be unblocked was so that he could transfer money to a savings account rather than use it for day-to-day living expenses. So although it was inconvenient to him, taking those factors into account I think that Lloyds acted reasonably.

As regards the forty phone calls Mr W says he made and the inability to get through, I don't think Lloyds was responsible for this. Having listened to his phone calls Mr W did say that he had a lot of difficulty in getting a signal.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 14 June 2024.

Ray Lawley
Ombudsman