

The complaint

Ms H complains that Lloyds Bank PLC (“Lloyds”) has failed to make reasonable adjustments and is discriminating against her by forcing her to use telephone banking to verify payments to new recipients from her account when she can’t communicate or use a smartphone because of her disabilities and impairments.

What happened

Ms H has several conditions she suffers from which means she is unable to use a smart phone without assistance due to hearing loss, difficulty with speech and hand subluxation. Due to her conditions, she uses a laptop computer set up for her ergonomically to make online payments and conduct her banking over the web.

On 6 December 2023 Ms H attempted to set up an online payment to renew a subscription but had difficulties completing it and so contacted Lloyds using a third party read and type service designed for those who can’t use a telephone. Ms H says she had difficulties communicating with Lloyds through this means.

Lloyds say the agent Ms H spoke to during this call did go through the process to make the requested payment but as the account details had changed Ms H wasn’t verified at a high enough level to enable the agent to set it up and Ms H was advised that a personal security number could be sent to her by post (ordered on 12 December) which she could then use to verify at a high enough level to allow her to set up new payments on the telephone.

Ms H complained to Lloyds that she wasn’t able to set up a new payment online due to having to receive a confirmation call which she wasn’t able to do.

Lloyds explained the reason Ms H wasn’t able to set up her online payment was due to it needing to verify that it was Ms H making the payment which meant it had to send a confirmation call or text message to do this. Lloyds explained that if she set up the payment through online banking through a mobile or tablet app she would be able to make the payments without verification.

Following this Ms H got in touch again with Lloyds relaying her concerns that she’d been asked to call it and received a text message advising her that it was going to call despite her making it aware she was unable to speak over the phone.

Lloyds acknowledged it made an error in sending messages to Ms H asking her to contact it by phone when she’d already told it she couldn’t do this and compensated Ms H £25 for the distress and inconvenience caused.

Ms H was still dissatisfied as due to the conditions she suffers from she is unable to use a smartphone or tablet to make payments and continues to have problems making payments online due to Lloyds security measures that insist on calling her smartphone to confirm and verify the payment despite knowing this. Ms H wants Lloyds to be able to verify her using email and brought her complaint to this service.

Lloyds explained currently to ensure its customers money is protected when payments are made online its process is to stop the payment and send an SMS message or make a call when a payment is flagged for additional checks. It says due to the security risks associated with emails it does not send codes by email. Given the difficulties Ms H has with using a smartphone it referred Ms H and her circumstances to its vulnerability support team, but it didn't think it had anything available which would support her needs in making online payments when they are flagged due to fraud risks.

Lloyds had tried using a third-party service previously, but this wasn't successful. It looked into video calling but for customers to do their banking it found that this option would not cover situations when online banking payments are referred for additional fraud checks. It says Ms H could enlist the assistance of a third party and that if this is an option she wishes to look into further, it would be happy to explore this.

One of our investigators looked at all of this but didn't think Lloyds had treated Ms H unfairly as Lloyds had referred Ms H to its vulnerable support team and looked at other ways it could support Ms H with making payments to new recipients, but there wasn't much that could be offered when payments were flagged for fraud risk, as it needed to continue with its current process in order to protect its customers and ensure their money was protected.

Ms H was unhappy with this and has asked for an ombudsman's 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.

I hope that Ms H won't take it as a discourtesy that I've condensed her complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that.

I can see that Lloyds has already apologised and acknowledged that it made an error following Ms H's initial complaint when it sent a text saying it would contact her by phone when she was unable to use the telephone due to her disabilities and compensated Ms H £25 for the distress and inconvenience caused. Ms H has acknowledged and accepted this, so I don't think Lloyds needs to do anything more here regarding this complaint point.

So, on this basis the focus of my decision - and what I consider the crux of Ms H's complaint - will be on whether Lloyds has discriminated against her by failing to make reasonable adjustments to cater towards her needs – in particular, with its need to verify payments to new recipients and the process for how it currently does this.

As a resolution to her complaint Ms H would like Lloyds to be able to make online payments as she has in the past and introduce other ways to verify and authenticate transactions such as sending a code by email or not blocking invoice payments.

It might be helpful for me to say here that, I don't have the power to tell Lloyds how it needs to run its business and I can't make it change its systems or procedures – such as how it verifies payments or what it needs to do to ensure it meets any obligations surrounding this. These are commercial decisions and not something for me to get involved with. Nor does this service supervise, regulate or discipline the businesses we cover. And my role isn't to punish or penalise businesses for their performance or behaviour – that's the role of the regulator, in this case the Financial Conduct Authority (FCA).

But that said while I wouldn't tell a Lloyds how it needs to run its business, or what systems it needs to have in place, I would expect it to make reasonable adjustments where it can to assist customers that are vulnerable or have difficulty in communicating with it and accessing the services it offers – in this case online banking payments.

So, what I next need to consider is given Ms H's circumstances, whether what she is asking is a reasonable adjustment that the Lloyds should make for her and if not whether the options available to her to meet her banking needs with Lloyds are fair in the circumstances. And having considered everything, I don't think what Ms H is asking of Lloyds does amount to a reasonable adjustment.

The FCA does not prescribe which channels firms must offer their services such as online, over the phone or in person. But in circumstances where a customer has a disability or vulnerability that reasonably prevents them from using a service provided by a business it would generally be expected that the business would make reasonable adjustments to facilitate their customers being able to achieve their objective via alternative means.

It is not in dispute that Ms H has great difficulty using a smartphone – she is not able to hear the phone ring and even if she does notice the phone ringing, she's unable to key in the code Lloyds needs to be able to verify it is Ms H who is making the payment. Ms H has suggested that the code instead of being sent by text, could be sent by email. Or alternatively, Lloyds could refrain from carrying out fraud checks on the invoice payments she wishes to make.

But Lloyds has explained that there is a security risk in sending a code by email – the email could be intercepted and it would be unable to verify it was her making the payment. And I don't think that it would be fair to ask that Lloyds refrain from carrying out the security checks it deems necessary on any payments Ms H wishes to make. This puts both Lloyds and Ms H at risk. So I don't think the Lloyds are treating Ms H unfairly by not being able or unwilling to make the adjustments Ms H wishes to it to make.

And just because Lloyds hasn't been able to make the adjustments to the process it follows when verifying payments that Ms H wants it to make, it doesn't automatically follow that it hasn't provided Ms H with reasonable options for making payments or discriminated against her because of her disabilities. As I can see that it has listened to her concerns and explored what options it has available to help her while still meeting its obligations around fraud prevention and keeping its customers money safe – such as video calling, using a third party service or seeking a third party to assist her in making these payments on a smartphone.

I appreciate Ms H would rather not seek the assistance of a third party to make payments on her behalf and that this is not a satisfactory solution by any means. But given the main issue seems to be when setting up a new recipient the payments are flagged for security, I don't think this would be required for the majority of ongoing payments. As my understanding is once a new recipient is set up, ongoing payments are less likely to be flagged for security checks.

I accept that other banks might have different operating systems and fraud prevention measures in place. But that doesn't mean it automatically follows that Lloyds hasn't provided Ms H with reasonable options for conducting her banking or failed to make reasonable adjustments. And sometimes the resolution that a customer wants just isn't practical or proportional to the customers reasonable needs.

So, I don't think that Lloyds has failed to provide Ms H with a reasonable adjustment when making payments online. Nor have I seen any evidence or think it has intentionally created a

barrier to her communicating and banking with it or that Lloyds has discriminated against her directly or otherwise because of a condition she has.

So, it follows that because I don't think Ms H's requests amount to reasonable adjustments and I don't consider Lloyds to have created barriers to her banking with it, I don't think that Lloyds have treated Ms H unfairly and so I do not uphold her complaint.

My final decision

For the reasons I've explained I've decided not to uphold Ms H's complaint against Lloyds Bank PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 13 August 2024.

Caroline Davies
Ombudsman