

## The complaint

Mrs H, as the executor of the estate of Mr H, complains about the service provided by Lloyds Bank PLC in connection with the cancellation of a direct debit payment her late husband had been paying for life insurance.

Mrs H has authority to bring a complaint on behalf of the estate.

## What happened

Following Mr H's death in November 2022, Mrs H learned that the direct debit payments her husband had set up to pay for life insurance had stopped after February 2022. Mrs H didn't know why. She understood that her husband had wanted this insurance to remain in place.

When she contacted the insurance company, it could only tell her that the direct debit was cancelled – it couldn't say if this was done by Lloyds or Mr H directly.

When Mrs H had contacted Lloyds by phone, seeking information about the direct debit, she was told that there was only limited information as it was 'historical' and that if Mr H had called to cancel the direct debit 'there would be a note'. In a subsequent call the following month, there was a discussion about whether Mr H might have cancelled the direct debit using online banking – which would not have resulted in any note. Mrs H didn't think that Mr H was likely to have cancelled the direct debit instruction online.

Mrs H wanted Lloyds to provide a letter of confirmation that neither Mr H nor Lloyds had cancelled the direct debit payment so that she could pursue matters with the life insurance company. When she didn't hear back, Mrs H chased things up with Lloyds.

Ultimately, unhappy at being unable to find out more about the circumstances which resulted in the direct debit payments stopping, Mrs H brought her complaint to us. She said that as Lloyds had confirmed three times that neither it nor Mr H had cancelled the debit instruction, cancellation must have been a Lloyds' error. Mrs H wanted compensation for the estate from Lloyds if its incorrect action had resulted in the life policy not paying out.

Our investigator looked into the complaint but didn't recommend upholding it. She felt that Lloyds had done enough to explain things to Mrs H and it hadn't made any error as its records showed that Mr H had cancelled the direct debit himself online.

Mrs H disagreed with the investigator's view and asked for an ombudsman to review the complaint. She mainly said that she was hoping for a response to '*...each and every one of the questions I've posed to the bank since my complaint was raised.*' She is particularly concerned that it has not been proved that the direct debit mandate was cancelled – only that it was amended.

## 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've carried out an independent review and having done so, I've reached the same conclusion as our investigator.

I can understand how upsetting this all is for Mrs H. And I appreciate why she's concerned to establish the circumstances that resulted in the direct debit payments for Mr H's life insurance stopping when they did – some months before he died. The policy could've paid out if the direct debit payments had been maintained.

We provide an informal complaint handling service and this is reflected in my approach. Our role is to decide what's fair and reasonable in all the circumstances of a complaint. We are impartial and we make decisions based on a balance of probabilities.

In order to uphold this complaint and award the redress she is seeking, I would have to find that Lloyds made an error or acted in a way that wasn't fair and reasonable and this led to Mr H's estate suffering financial loss or some other detriment. So this is the focus of my decision.

Lloyds told Mrs H that it didn't cancel the debit on Mr H's behalf because there would have been a note to this effect if this had happened. Lloyds has also provided information from its records showing that Mr H amended the direct debit instruction himself via his online banking access. But that wasn't information that any of the call handlers Mrs H spoke to on the phone could have told her. Lloyds said its agents wouldn't have had access to the payments information to determine why the direct debit stopped or how it was cancelled. So I can't fairly say that Lloyds provided Mrs H with any misinformation. I'm sorry she was made anxious when Lloyds didn't send her the written confirmation she asked for, to support her view that Mr H hadn't authorised the direct debit cancellation. But it's clear that Lloyds could not in any event have provided the information she was hoping for.

Mrs H says a record showing that Mr H 'amended' the direct debit mandate for his life insurance doesn't prove that he cancelled it. But it is important to make clear that my findings are made on a balance of probabilities, in other words, what is more likely than not, based on the evidence that has been provided by the parties. In simple terms, to uphold this complaint there would have to be persuasive evidence that made it more likely than not that Lloyds had done something wrong. But I have not seen enough persuasive evidence in this case. I'll explain why.

I have no reason to doubt that Mrs H is certain about what she's told us when she says Mr H always intended to keep the life insurance in place. I've noted what she's told us about Mr H taking steps to reinstate the policy some years earlier when he'd switched banks. But what Mrs H says isn't enough for me to be able to uphold this complaint when what she says isn't supported by the other evidence I've seen.

Lloyds' payments records show that Mr H cancelled the direct debit using online banking on a date in February 2022. He cancelled another direct debit at the same time to a different financial business. Those direct debits no longer show on Lloyds' system, due to the time passed since the cancellation. But that's not a reason for me to uphold the complaint.

I wouldn't reasonably expect Lloyds to hold on to old records indefinitely. Data protection requirements mean that, generally speaking, businesses are required to set reasonable retention periods for the information they hold. Lloyds has explained it has set 12 months here. I can understand Mrs H's frustration that there's a lack of information about what happened. But I can't fairly say that Lloyds has done anything wrong, or acted unfairly or

unreasonably, by acting in line with relevant legislation and its own policies to keep safe customers' private information.

I've seen a more recent log showing that Mr H cancelled a different direct debit the following month. So, it seems clear Mr H was actively managing his account online. And I am satisfied that the balance of the evidence supports a finding that Mr H cancelled the direct debit payments for his life insurance premiums himself. That's also borne out by other information I've seen from the insurer business. It received information through the banking system that payments for the life insurance premiums stopped at the same time that Lloyds said its payments records showed Mr H had authorised cancellation. All in all, I am satisfied that I haven't seen enough to uphold this complaint. So it follows that I can't award redress to Mr H's estate.

I appreciate that Mrs H would like answers to questions she has raised. But whilst I may not have addressed every single point raised or question asked, I am not required to do that. It doesn't mean I haven't taken into account all the considerations I need to keep in mind – it just means I haven't needed to specifically refer to everything Mrs H has mentioned in order to reach a fair decision. I hope that setting things out as I've done helps Mrs H to understand how I've reached my conclusions.

### **My final decision**

My final decision is that I do not uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr H to accept or reject my decision before 7 August 2024.

Susan Webb  
**Ombudsman**