

The complaint

Mr P is unhappy that Lloyds Bank PLC placed his account into a dormant account status.

Summary of what happened

Mr P resides overseas and received a letter from Lloyds which explained that he hadn't used his Lloyds account in approximately three years and that the account would soon be considered as dormant by them. Mr P called Lloyds from overseas and said that he didn't want his account to become dormant. In response, Lloyds confirmed to Mr P that they would ensure that his account remained open and active and wouldn't become dormant.

Unfortunately, shortly afterwards, Lloyds did move Mr P's account to a dormant status. Mr P wasn't happy about this as he had to contact Lloyds from overseas again. And Mr P also wasn't happy that because the account was dormant, he'd been unable to purchase audio equipment which had been on sale for £6,999 but which had since reverted to its normal retail price of £15,999. So, he raised a complaint.

Lloyds responded to Mr L and apologised that his account had become dormant, despite his contacting them to prevent this. And Lloyds made a payment of £360 to Mr L as compensation for all that had happened. Mr L wasn't satisfied with Lloyds' response, so he referred his complaint to this service.

One of our investigators looked at this complaint. They didn't feel that Lloyds should be asked to pay Mr P the £8,000 difference in cost of the audio equipment as he wanted. But they did feel that Lloyds offer of £360 compensation didn't fairly account for the trouble and upset Mr P had incurred here, and they recommended that Lloyds should pay a further £140 compensation to Mr P, taking the total amount of compensation payable to £500. Lloyds accepted the recommendation put forward by our investigator, but Mr P remained dissatisfied, so the matter was escalated to 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.

Mr P has explained that he wants this service to incentivise Lloyds to change the systems and procedures it currently has in place surrounding dormant accounts. But this service isn't a regulatory body, and so it isn't within my authority or remit to instruct Lloyds to change the way that they operate. Ultimately, this service's view is that how Lloyds chose to manage their dormant account procedures is a commercial decision that they are entitled to make.

What this service can consider is whether an unfair outcome has occurred for Mr P in consideration of the specific circumstances of his complaint.

In this instance, Lloyds don't dispute that they made a mistake and that Mr P's account shouldn't have been marked as being dormant by them. And Lloyds have apologised to Mr P for this and agreed to pay a total of £500 compensation to him for the trouble and upset he

incurred surrounding this.

Upon consideration, this £500 total compensation amount feels fair to me, given what happened here. And so, while I will be upholding this complaint in Mr P's favour, I'll only be doing so to formally instruct Lloyds to pay the further £140 to Mr P that they've already agreed to pay. And I won't be issuing any further instructions to Lloyds beyond this.

In arriving at this position, I've considered that impact of these events on Mr P as he'd explained them to this service, including the calls he had to make and the anxiety and stress he experienced. And I've also considered the general framework this service uses when assessing compensation amounts – details of which are available on this service's website. And, having done so, I feel that £500 is a fair total compensation amount.

Mr P has explained that he would like Lloyds to pay him the £8,000 difference in price for audio equipment he was unable to buy while it was on sale because his Lloyds account was incorrectly considered as being dormant. This service can consider reimbursing demonstrable losses. But Mr P hasn't provided a receipt for the purchase of the audio equipment, or anything to corroborate his claim that it was previously on sale for £8,000 less.

Additionally, if Mr P had wanted to buy that equipment while it was on sale, I feel that he most likely could and reasonably should have done so using his overseas bank account. In that case, a clear record of the additional cost that Mr P would have incurred through using his overseas account to conduct the purchase would have been available, which I could then have considered instructing Lloyds to reimburse Mr P for.

All of which means that I'll be upholding this complaint in Mr P's favour and instructing Lloyds to pay a further £140 to him. I hope that both Mr P and Lloyds will understand, given what I've explained, why I've made the final decision that I have.

Putting things right

Lloyds must make a payment of a further £140 to Mr P, taking the total compensation amount to £500.

My final decision

My final decision is that I uphold this complaint against Lloyds Bank PLC on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 2 August 2024.

Paul Cooper
Ombudsman