

The complaint

Mr M complains that Lloyds Bank PLC told him he would be paid £200 in response to his complaint but has only paid him £30. He wants the £200 he was told he would be paid.

What happened

Mr M had a graduate account with Lloyds Bank which had a free overdraft facility. In February 2023, he saw an advertisement for a Lloyds Silver Account and there was a financial incentive to switch. He switched his account and then raised a complaint about not initially receiving the switching incentive and the account being mis-sold. These issues have been dealt with separately.

This complaint is that when Mr M contacted Lloyds Bank in April 2024, about an update on his complaint, he was told that he would receive £200 compensation. But Lloyds Bank then said it wouldn't pay this amount and instead paid him £30.

Lloyds Bank issued a final response explaining that when Mr M called to get an update on his complaint regarding his overdraft interest and mis-sold account, the adviser looked for his case and provided details of his previous complaint about his account switch in which a payment of £200 was provided. This was a mistake and Lloyds Bank said the adviser tried to call Mr M to say they had provided incorrect information but were not able to make contact. Because of this mistake Lloyds Bank paid Mr M £30 but didn't accept that it was required to pay £200 as this had been paid in relation to a previous issue.

Mr M referred his complaint to this service.

Our investigator noted that Lloyds Bank had accepted that Mr M was provided with incorrect information but said that it wasn't required to pay the amount that had been incorrectly advised. He considered the distress and inconvenience the incorrect information had caused and thought payment of £30 was reasonable in this case.

Mr M didn't agree with our investigator's view. He said that he was told twice, by two different people, that he would receive £200, and he relied on the information given to him. He said that even if this was a mistake, he shouldn't be left at a disadvantage or financial loss. He said that the £30 paid didn't reflect the frustration and inconvenience caused and the time he spent raising a further complaint. He said Lloyds Bank needed to be held accountable for the impact of its mistakes. He thought that the poor customer service he had received warranted a higher amount of compensation and noted that Lloyds Bank was aware he was disabled, on benefits, and struggling.

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.

This decision relates to Mr M's complaint that he was told he would be receiving £200 compensation, and this didn't happen. Instead, he received £30 for being provided with

incorrect information.

Mr M has said that he should be able to rely on the information he received and that he was told by two different advisers that he would receive £200. I understand Mr M's comment, but when a mistake is made and incorrect information provided, we wouldn't expect the bank to act in line with incorrect information but instead we consider the impact the mistake has had on the consumer. In this case, it has been explained that when Mr M called Lloyds Bank on 4 April 2024 for an update on his complaint the adviser incorrectly opened a previous complaint (from March 2023) and read the response to that complaint which included a payment of £200. As the information read out to Mr M didn't relate to the complaint he had called about he could have asked about this at the time. Mr M called again on 15 April 2024 about the payment. Lloyds Bank has said that the telephone banking adviser contacted Customer Services which tried to call Mr M to explain the mistake, but Mr M didn't answer the call.

So, while I wouldn't expect Lloyds Bank to pay Mr M £200 - a payment that he had received a year earlier – I accept that Mr M was caused some inconvenience by making a further call on 15 April chasing the payment, and that he was also disappointed that the £200 wasn't being paid. Given this, I think it right that he was paid compensation.

Lloyds Bank apologised to Mr M and paid him £30 compensation. I note the comments Mr M has made about financial loss and the impact this issue has had on him. Lloyds Bank said that Mr M had said that not receiving the £200 meant he couldn't pay his rent, however it noted that his rent payment had been made. I have nothing further to show that the expectation of the money resulted in a financial loss to Mr M. I also note that the £200 wasn't an amount that was due to Mr M but an amount he was informed of in error (and had been paid previously).

I have therefore considered the upset and inconvenience Mr M was caused. I have also considered Mr M's explanation of his specific circumstances. Having done so, while I can see Mr M made a call chasing the payment on 15 April 2024, Lloyds Bank did then try to contact him about this. Mr M was sent a final response letter dated 24 April 2024 which explained the mistake and the outcome. Therefore, I find that Lloyds Bank did act in a timely way to respond to the mistake that had been made. Taking all of this into account, I think the apology and payment of £30 is fair.

While I understand my decision will be disappointing for Mr M, for the reasons set out above, I do not require Lloyds Bank to take any further action in response to this complaint.

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 Mr M to accept or reject my decision before 14 January 2025.

Jane Archer
Ombudsman