

The complaint

Mr and Mrs P are unhappy with Lloyds Bank PLC's handling of their safety deposit boxes, and because they've had problems accessing their current account.

What happened

In 1978 Mr and Mrs P took out two safety deposit boxes with Lloyds which were to be for their retirement. They also had deeds stored with Lloyds, and a current account.

When Mr P went to see the boxes in September 2018, he was very upset to see the metal boxes being held together by bubble wrap and packing tape. And when looking at the contents of the boxes themselves, it was clear the contents were damaged as they'd been in water. Mr and Mrs P say they were never told about the damage that'd happened.

As a result of this Mr and Mrs P complained to Lloyds. They explained they'd experienced problems in trying to do so – including being given the wrong postal address to send their letter to and calls regularly not being returned – both when complaining, and on several occasions leading up to Mr P seeing the boxes in 2018. Mr and Mrs P also say they were told by one person at Lloyds there was flooding in 2011, and then by another person that Lloyds had no knowledge of the damage until Mr and Mrs P looked at the boxes. Mr and Mrs P have raised concerns about this and said it's possible the damage occurred as far back as the 1980s – as Mrs P was prevented from seeing the boxes in 1985 when she went in to the branch and they think this is because Lloyds knew there was damage at this time.

And Mr and Mrs P complained about not being able to access their current accounts when they went into branch to do so – in 1985 when Mrs P tried to access them, which they say caused her embarrassment in branch. And more recently when Mr P tried to do so in 2018 when he was in branch looking to withdraw money. Mr P says when he visited branch in 2018 he couldn't withdraw money so he asked if he could use his card. He says he was told yes but it was turned down – leading to embarrassment for Mr P, and aggravation having to sort this out.

Lloyds issued a number of responses on this complaint, and I've summarised those responses below:

- It accepted it was at fault for the damage to Mr and Mrs P's safe custody boxes, and the items contained within them.
- Flooding occurred in the branch in the Spring of 2011, but there was no visible damage to the boxes then, or when they were moved by a separate security company in 2015. It believes moisture got into the boxes which is what's caused the damage.
- It couldn't say why Mrs P had problems accessing the boxes in 1985 due to the passage of time.
- The reason Mrs P had problems accessing the account was because her date of birth had been keyed incorrectly – meaning Lloyds' new systems didn't recognise

Mr and Mrs P's older account but it'd fixed this issue now. And it was sorry Mr P had issues as well accessing the account – which was also due to system issues.

- It was sorry for the issues Mr and Mrs P had experienced with a lack of calls being returned, wrong postal address given to complain, and other customer service related issues.
- It'd pay Mr and Mrs P £1,150 compensation for the issues caused.
- It'd refund fees charged for the safe custody boxes from the flooding in 2011 which came to £175 – and a further £21.65 for postage costs.
- It'd consider how much it owed once valuations had been carried out on the safe custody boxes.

Following Lloyds' responses Mr and Mrs P asked us to look into things. They said they can see it stopped charging them for the boxes in 2011 and say this is evidence the damage occurred in 2011, so Lloyds should have told them at that point the boxes were damaged.

One of our investigators considered the complaint. Overall she felt the compensation was fair for the issues Mr and Mrs P had. And that Lloyds couldn't do anything further until a valuation had been provided.

Prior to me carrying out a formal review, I noted Mr and Mrs P had said they were prepared to accept payment of £6,000 for the contents of their safe custody boxes due to being unable to carry out valuations on the items contained within this.

After some discussion Lloyds confirmed it was prepared to pay £6,000 for the contents of the safe custody boxes. This was in addition to the compensation it'd already paid of £1,150 for all the issues noted above – and would make this payment in full and final settlement of this complaint.

Mr and Mrs P accepted the £6,000, but said they'd not been compensated for being lied to, the cancellation of their contract, and the time and effort that's gone in to resolving this complaint. Our investigator felt they had. As Mr and Mrs P disagreed, the complaint has been passed to me to decide.

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 want to assure Mr and Mrs P I've read and considered every letter and email they've sent to our service. But while I've taken everything both parties have said into account, I've only addressed the information I think is key to explain the outcome I've reached.

Lloyds said it was prepared to accept Mr and Mrs P's offer of £6,000 to settle the dispute over the contents of the safe custody box – a figure they put forward and indicated they accepted. As Mr and Mrs P, and Lloyds, can't organise valuations I've seen nothing to suggest this would create an unfair outcome for either party. So, I'm satisfied it's appropriate for Lloyds to pay Mr and Mrs P £6,000 for this element of the complaint.

But, it's clear from Mr and Mrs P's contact about this complaint they don't feel they've been compensated for the upset caused by the issues they've had.

Lloyds have paid out £1,150 in compensation for the issues Mr and Mrs P had. But, Mr and Mrs P say this doesn't cover everything that's happened since the complaint was made –

and have specifically pointed to Lloyds not telling them about the damage until Mr P saw it himself in September 2018, amongst other things.

The explanations we've been provided by Lloyds about what happened to the safe custody boxes is that the damage happened in branch in 2011 as a result of flooding. It's been said that moisture got into the boxes at this time.

I've seen statements from branch members saying this is what happened. Mr and Mrs P have said they doubt this though, because this is around the time Lloyds stopped charging them for the safe custody – so they think Lloyds knew in 2011 and failed to tell them.

We put those comments to Lloyds – they said it'd be a strange way of telling Mr and Mrs P their safe custody boxes had been damaged. They explained their billing had changed at this point, and they'd condensed the charges into one fee, rather than the three (two safe custody boxes, and one deeds storage) that were being charged at this point.

Given the passage of time, it's difficult for me to know exactly what did happen, this means I need to decide what I think is most likely to have happened, taking into account all the information I've got.

While I understand Mr and Mrs P's scepticism, particularly given the bad experiences they've had with Lloyds, I think it's unlikely Lloyds would have noted it'd damaged Mr and Mrs P's boxes – and its only reaction was to stop charging them. If nothing else, it seems quite possible Mr and Mrs P could have noticed this, called up and asked why – and then Lloyds would have to explain what'd happened. So, while I understand where Mr and Mrs P are coming from, I think Lloyds' explanation of consolidating and adjusting the fees is more likely. I think it's helpful to add I've seen nothing in any of the paperwork I've been provided with to show that Lloyds knew damage had happened to Mr and Mrs P's boxes in 2011.

The next significant event is in 2015 when Mr and Mrs P's boxes were moved by a security company employed by Lloyds. This security company required three signatures to move the boxes, and Mr and Mrs P have mentioned there were only two. I understand the third 'signature' is CCTV – but, in any event, I've not seen anything to show this security company were aware of the damage to the boxes either at this time in 2015 – or that any potential failings in their processes has meant Mr and Mrs P have lost out – particularly since they've both agreed on a settlement for the contents of the boxes.

So, in relation to the safe custody boxes, I don't think Lloyds knew there was damage in 2011, and I've seen nothing to suggest it knew about damage in 2015 either. Lloyds have explained Mr and Mrs P's boxes were retrieved from deep storage in 2018 when Mr P came to see them – and the branch manager says those boxes were delivered around 30 minutes before Mr P arrived in branch.

Clearly by allowing so much damage to Mr and Mrs P's safe custody boxes, and all the problems that have since come with that, Lloyds have let them down for which compensation is appropriate. What I have to consider is what the appropriate amount for this is.

In relation to accessing the account again it's clear these issues were caused by Lloyds. Mrs P's attempt to access the account and boxes in 1985, plus Mr P's problems in 2018 caused them both embarrassment. Lloyds have blamed these on the age of Mr and Mrs P's account. This doesn't seem entirely unlikely given Mr and Mrs P took out these accounts in the 1970's, though of course this shouldn't have been Mr and Mrs P's problem. Lloyds should have made sure Mr and Mrs P could always access their accounts, regardless of any system changes in the meantime – particularly for Mr P where we know he'd asked them to

make sure everything was fine, Lloyds said it was, and then his card was turned down. So, again, I think Lloyds should pay compensation for these errors.

But, although compensation is appropriate, I need to decide whether the compensation payment Lloyds has made of £1,150 already is fair – or whether more should be paid.

For the reasons I've explained above I can't agree Mr and Mrs P have been lied to in the way they've suggested, but I do think they've been given incredibly poor customer service across a significant period of time.

Lloyds have made it clear the compensation they've awarded of £1,150 is for all of their failings in this complaint. Mr and Mrs P don't see it that way – as they're saying they only became aware of Lloyds' obligations after getting us involved. While I accept that, it doesn't mean Lloyds didn't factor this in when calculating their compensation figure. And regardless of what Lloyds have offered, if I felt the compensation award was unfair, then I'd order Lloyds to increase it.

But, I do think the figure of £1,150 is fair overall. Lloyds have made significant mistakes in this complaint, but the amount they've already paid is a significant figure that reflects those mistakes. So, I won't be ordering them to pay any further compensation.

My final decision

It follows I partially uphold this complaint, and order Lloyds Bank PLC to pay Mr and Mrs P £6,000 for the safe custody items. This is in addition to the £1,150 compensation already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs P to accept or reject my decision before 7 January 2021.

Jon Pearce
Ombudsman