

The complaint

Mr B complains that money was taken out of an Individual Savings Account (ISA) he holds with Lloyds Bank PLC.

What happened

Mr B opened the ISA in July 2019.

In April 2020 a sum of just over £14,000 was taken from the account by a third-party seeking recovery of outstanding child maintenance payments.

Mr B complained to Lloyds saying he thought the account wasn't in his name and asked for the funds to be returned. He said when he opened the account he meant it to be in the name of his ex-partner and that the money in the account was theirs. Lloyds said their records showed the account was in his name and so wouldn't be seeking a refund of the money that was taken.

Mr B remained unhappy and brought his complaint to our service where one of our investigators looked into what happened. They didn't think Lloyds did anything wrong by allowing the money to be taken from the account as they were legally required to release the funds when asked. They said that while Mr B might've intended to open the account in his ex-partner's name the account was set up and opened by him in his name. Unhappy with this answer Mr B asked that an ombudsman review the case for a 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 B has provided a lot of information about his complaint and it's clear how strongly he feels about what happened. I've read and considered everything he has submitted even if I do not mention it in detail. I've summarised the complaint which reflects the informal nature of our service.

This problem started when Mr B opened the account. He says that he meant to open the account in his ex-partner's name, but he accidentally opened the account in his name. Mr B says that it would be madness for him to open an account in his name as he was already mindful of the powers to take money for outstanding child maintenance. I don't doubt what Mr B intended to do, but I must look at what Lloyds did to see if they made any errors. And looking at what happened I don't think they did.

Mr B opened the account online and Lloyds used the details provided, which were his. Over the time the account was open Lloyds sent Mr B correspondence which was addressed to him. I've not seen any reason why Lloyds would or should have been aware that there was a problem.

I've looked at how the account appears on his internet banking and in the app. I'm happy the account appears correctly and the way it's displayed is not misleading.

Mr B says that Lloyds sent text messages to his phone asking him to make deposits to the ISA - but I've seen no evidence of this. What I have seen is that Lloyds sent Mr B text messages about a joint account he holds asking that deposits be made to stop that account becoming overdrawn. Even if Lloyds did send Mr B text messages about making deposits to the ISA I don't see how that would change the outcome of this complaint.

I know that the money in the ISA was deposited by Mr B's ex-partner and not him and they have now lost money. I agree this is a difficult situation, but I've not seen anything to suggest that Lloyds made mistakes in either setting up the account or how it was managed. Lloyds weren't to know that the money in the account wasn't his and they fulfilled their obligations by removing the money when requested.

Mr B says that there is a dispute over the amount owing for child maintenance, but this isn't something Lloyds or this service can become involved in. To pursue this he should contact the relevant people.

Having carefully considered everything I don't think Lloyds made any errors with the ISA nor with allowing the money to be taken for outstanding child maintenance, so I won't be asking them to do anything further.

My final decision

For the reasons I've explained above, my decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 20 December 2021.

Warren Wilson
Ombudsman