

The complaint

Mr C complains that Lloyds Bank plc didn't investigate an unauthorised payment that'd been taken from his account. He also complains about poor service.

What happened

Mr C has a current account with Lloyds. He attended a branch of Lloyds on 13 November 2020. He made a deposit to his account. He says he subsequently noticed, on 16 November, that shortly after making the deposit to his account a payment of £13 had been taken from his account. He says he didn't authorise this payment and he didn't recognise it.

Mr C was speaking to Lloyds about another matter on 16 November 2020. He says he raised a query about the payment of £13. He was told his query would be passed to Lloyds' Fraud team and he would be contacted. He heard nothing further and contacted Lloyds again on 20 November 2020. He complained about what had happened. When he still hadn't heard anything, he contacted Lloyds again on 14 December 2020.

Lloyds investigated his complaint. It said it had refunded the £13 to his account on 15 December 2020. It said it had made an administrative error when this payment was taken. It apologised and offered Mr C £80 for the distress he'd experienced because of what happened and £24 for the cost he'd incurred when he'd had to phone it. Mr C didn't accept this. He referred his complaint to our service.

Our investigator looked into the complaint. She said Lloyds had explained how the £13 payment had been taken from his account. Lloyds said that it was likely the cashier hadn't cleared Mr C's profile before making a payment for the next customer attended to. Lloyds had confirmed there had been no data or security breaches and no fraud had occurred. Our investigator thought Lloyds had taken appropriate steps to put things right. It had refunded the payment and had offered to compensate Mr C. She didn't think it should have to do anything more.

Mr C didn't agree. He said he wasn't happy that the matter had been investigated properly. If he hadn't found the error, he wondered if it would ever have been noticed. He wanted all the fees charged to his account to be refunded.

Our investigator didn't change her view. So, 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've looked into the sequence of events here. Mr C first raised this matter with Lloyds on 16 November 2020. But it was 15 December 2020 before the fraud operations team investigated the complaint. As part of that investigation questions were directed to the branch manager of the branch where the transaction had taken place. It was determined that an error had taken place on 13 November 2020. Mr C had made a deposit to his account at

2.30pm. A few minutes later the payment of £13 had been taken from his account by bank transfer. The error was that the cashier hadn't closed Mr C's profile after completing his transaction. This meant that the payment of £13 (for a subsequent customer) was taken, in error, from his account.

Lloyds was satisfied no fraud had taken place and that this was an administrative error. Having considered everything, I'm satisfied, on balance, with the explanation Lloyds has provided. It refunded £13 to Mr C's account on 15 December 2020. And, Mr C accepts he hasn't suffered any financial loss as a result of what happened.

Mr C has queried whether this matter would ever have come to light if he hadn't raised it. I note that Mr C was sent statements for his account. There is an onus on consumers to check their statements and to raise any concerns they might have about transactions they do not recognise. So, I think, even if he hadn't noticed the payment when he was in touch with Lloyds on 16 November 2020, Mr C would've had the opportunity to check the transactions on his account when he received his next statement and he could've raised the query about the £13 payment at that time.

It is the case that when Mr C raised this matter there was a delay before it was investigated and the refund made. He had to contact Lloyds on 16 November 2020, 20 November 2020 and then again on 14 December 2020 before Lloyds took the necessary action to consider his complaint and make the refund to him. In these circumstances, it is appropriate that Lloyds should compensate him for the delay and for the distress and inconvenience he experienced. It's offered to pay him £80 and a further £24 to compensate him for the costs of his telephone calls (£104 in total). I think this offer is fair and reasonable in all the circumstances. I don't require Lloyds to have to do anything further.

My final decision

For the reasons given above, I uphold this complaint about Lloyds Bank plc.

Lloyds Bank plc has already made an offer to pay £104 (in total) to settle the complaint and I think this offer is fair in all the circumstances.

So, my decision is that Lloyds Bank plc should pay Mr C £104.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 27 May 2022.

Irene Martin
Ombudsman