

The complaint

Mr W is complaining about Lloyds Bank PLC closing his accounts with them. He says this has severely impacted his financial position and his health.

What happened

Mr W held his current account with Lloyds. He also had two savings accounts with them. He'd been a customer of Lloyds for over ten years.

Mr W has some medical conditions which affect his behaviour. He explained to Lloyds he had autism and mental health conditions which can lead to aggression or abusive and threatening behaviour. Mr W asked Lloyds not to call him before 11am due to his epilepsy. He said this would give him time to take his medication.

At around 9am on 7 July 2020 Lloyds' automated fraud system called Mr W. Mr W was briefly connected to an adviser but was then cut off.

Shortly afterwards Mr W called Lloyds to complain. During the call he was very upset. He said the early morning call had triggered an epileptic seizure. He explained he'd told Lloyds repeatedly not to call him before 11am as this could kill him. At one point in the call he made a threat to kill the adviser he had spoken to in the previous call.

After this call, Lloyds reviewed their relationship with Mr W. They felt his behaviour during the call was unacceptable. They made the decision to close his accounts with them. On 10 July 2020 they wrote to him giving 60 days' notice. They closed his accounts around the end of September 2020.

Mr W brought a complaint to us. He explained that Lloyds closing his accounts had a significant impact on him, because he was unable to easily open another account due to his medical conditions. He thinks Lloyds have discriminated against him because he's disabled. Mr W told us he'd been able to open a new bank account in May 2021.

An investigator looked at Mr W's complaint. She didn't think Lloyds had acted fairly when they closed Mr W's accounts. After looking into the effect this had on Mr W, she asked

Lloyds to pay Mr W £3,000 in compensation.

Lloyds agreed with our investigator's view. But Mr W didn't agree. He feels compensation in the region of £8,000 would be fair, considering the significant impact this has had on his life.

Mr W's complaint was passed to me for review and a decision.

My provisional decision

I issued my provisional decision on 13 January 2022. This is what I said.

I understand this will come as a disappointment to Mr W, but I've provisionally decided the compensation of £3,000 recommended by the investigator is fair and reasonable. I'll explain why.

I've listened to the call between Lloyds' adviser and Mr W during which the threat was made. Mr W was aggressive in his tone, but he made it clear this wasn't aimed at the adviser he was speaking to at that time. And I think the adviser could have shown more empathy and understanding of Mr W's conditions and the reason for his call. I think this contributed to Mr W's state of mind which led to the threat being made against her colleague.

Mr W had asked for reasonable adjustments from Lloyds which weren't followed on this occasion. He's explained why the consequences of them not following these could have a serious impact on his health. And he's also explained that his behaviour was likely to be aggressive if these weren't followed. So overall I think it's understandable he reacted the way he did to receiving the call. I understand that the call was automated, but I don't think it's unreasonable for Lloyds to incorporate any reasonable adjustments needed by their customers for health grounds into their automated system.

The terms and conditions of Mr W's accounts allow Lloyds to close them if a consumer is behaving in a threatening and abusive way. And it's quite right that threats against members of staff should be taken very seriously. But given what Lloyds knew about Mr W's medical conditions, on this occasion I don't think their decision to close Mr W's accounts was fair, because it didn't make enough allowance for the impact not following the reasonable adjustments had on Mr W's health and behaviour.

Mr W has epilepsy and learning difficulties which make reading difficult. He's said he didn't receive Lloyds' letter about his accounts being closed. So he didn't know that he needed to make other banking arrangements. He spoke to Lloyds over the phone after the letter was sent about opening a credit card, so I think it's unlikely he was aware his accounts were about to be closed. And given what Lloyds knew about Mr W's disabilities, I think they could have done more to explain to Mr W that they'd taken the decision to close his accounts during his conversations with them. This may have limited the impact their decision had on Mr W.

Mr W's explained the way his accounts being closed has impacted him. I've summarised the main points he's raised about the impact below.

I want to reassure Mr W that I've considered everything he's told us and all the information he's given to us, even if I haven't referred to it specifically in my summary.

- *He had difficulty opening a new account as he didn't have the required identification and couldn't afford to replace it. It's more difficult for him to open a new account as he struggles to travel to branches or use technology due to his epilepsy. He wasn't able to*

open a new account for around seven months. During this time he contacted us a number of times to explain that he was struggling to access money to buy food and other basic necessities such as hygiene products.

- *He was left with no account for his benefits to be paid into, so he arranged for these to be paid into his friend's account, and then his partner's. But he had difficulty reliably accessing the money as his friend wasn't always in contact and his partner's account was closed down.*

- *His difficulties affording food affected his recovery from an eating disorder, and he had to rely on handouts and charities for food. He was put on nutritional supplements by his doctor which have adversely affected his health.*
- *He was unable to pay his utility bills and has been left with significant debt to the utility companies.*
- *He couldn't afford to look after his dog properly and was worried his dog would be permanently removed from his care and he'd be prosecuted for cruelty.*
- *His health has deteriorated and due to the stress he's suffered he's currently lost the sight in one eye and mobility on his left hand side.*
- *He had a number of insurance policies which were cancelled when the direct debits weren't paid. Mr W says that because of this he has lost the opportunity to claim a substantial lump sum on his policies when he lost his sight in one eye, and that he was unable to replace his games console which has broken since his appliance cover was cancelled.*

I have considered everything Mr W's said and provided in order to decide on fair compensation. I'm sure the difficulties accessing his benefits caused great distress to Mr W. I was very sorry to learn of the struggle he had to buy food and basic necessities, and of his concerns for his dog – and also of the health problems he's been experiencing.

Mr W's said he now owes a significant debt to the utility companies but these are services he would have needed to pay for anyway, so I don't think it would be fair to ask Lloyds to meet the cost of these bills. We've been able to contact his water company and they've explained they haven't applied any charges to his account. Mr W's other utility supplier hasn't given us any information about his account, but if they have added charges I would suggest to Mr W that he speaks to them directly about this to explain what's happened. And if Mr W can send us any evidence he has that he's been charged by his utility supplier I'll consider this.

Mr W's also said he's lost the sight in one of his eyes and he'd have been able to make a substantial claim for this on one of the policies he had, if it hadn't been cancelled when his direct debits weren't paid when his account was closed. He said he isn't sure who this policy was with, but he remembers it would provide around £25,000 for loss of sight.

I've looked at the insurance policies Mr W had in place at the time his accounts were closed. From the list of direct debits he had in place, it looks like he had a policy which would've paid a lump sum if he passed away, and a funeral care policy which he'd taken out shortly before the accounts were closed. I don't think either of these policies would've provided the benefit he's referring to.

It also looks like Mr W had an active policy with another insurer at the time his accounts were closed which he thought could have offered the cover he's referred to. We've now asked the insurer if they can give us more details about this policy and they've told us that

this policy was an over 50s life insurance policy which would've paid a lump sum if he passed away. I've looked at the terms and conditions of this policy and it didn't include cover for loss of sight.

I've thought about what Mr W's said about being unable to claim for loss of sight very carefully. But I must bear in mind that we don't have any documents to show Mr W had a policy in place which would have paid him the benefit he's described, or that a claim would have been likely to succeed. So from what I've seen so far I don't think it would fair to ask Lloyds to meet the value of any potential claim Mr W says he could have brought for the loss of his sight.

Mr W's provided medical evidence from his doctor. The medical evidence doesn't directly link the deterioration in his health to the closure of his accounts, but it does say his seizures may be linked to stress. So I understand that the stress involved may have contributed to the problems he's been having with his health, and I've taken this into account in deciding what's fair and reasonable compensation.

I've also taken into account that we've spoken to Mr W's policy providers and they've said the policies that were cancelled can't be reinstated, and if Mr W takes out new policies it may be more expensive for him.

Mr W also says he had policies in place to cover his appliances if they broke down. Some of these policies had lapsed by the time the accounts were closed, but it looks like Mr W did have active policies for his television, his tumble dryer and his television package (including his games console) at the time his accounts were closed. He has mentioned that his games console has broken but he was unable to replace it. I've taken this into account too.

I can see that the closure of Mr W's accounts has had a significant effect on him, in many different ways. And I know that Mr W feels strongly that we should be awarding a higher amount. But in deciding what's fair and reasonable I must take into account our general approach to compensation, and awards made in similar circumstances to Mr W's.

This doesn't mean I don't appreciate the impact this has had on Mr W. I have no doubt this was a terrible time for him. But I think £3,000 is fair, and recognises the sustained distress this has caused Mr W.

Lloyds have told us that when they closed Mr W's account, there was a small balance of £5.46. They sent a cheque for this to Mr W, but it's not yet been cashed. Lloyds have now offered to pay this directly to Mr W with the compensation.

I understand that Mr W thinks Lloyds have discriminated against him because he's disabled. As the investigator's explained, it's our role to decide complaints based on what's fair and reasonable. The Equality Act 2010 is relevant law here, which I've taken into account in deciding that Lloyds haven't treated Mr W fairly. But whether or not Lloyds have breached the Equality Act would be for a court to decide.

My provisional decision is that Lloyds Bank PLC should pay Mr W £3,000 in compensation.

They should also pay an additional £5.46 which is the balance owing to Mr W from when his accounts were closed.

Lloyds replied to say they accepted my provisional decision.

Mr W said he didn't think £3,000 was enough compensation.

He said, in summary, his debts to the utility companies were around £3,500. So he thinks Lloyds should pay at least this amount, with additional compensation for his distress. He thinks around £8,000 would be fair.

He also said he had a policy which would have paid out between £15,000 and £30,000 and he thinks Lloyds should be able to give the information about this policy so he can prove it would have paid out.

He doesn't think I've taken his disabilities into account, and he's also mentioned that his credit rating's been affected as he's been unable to pay his bills.

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 understand Mr W now has debts to the utility companies and I appreciate that his credit rating may be affected by this. But as I've explained in my provisional decision, although Lloyds' actions made it more difficult for him to arrange to pay these bills during the time he didn't have a bank account, I don't think their actions directly caused his debt, because these are bills Mr W would have needed to pay anyway.

I've explained in my provisional decision that we've contacted the insurers Mr W was making payments to from his bank account at the time his account was closed, and we've not found anything to show there was a policy in place which would provide the benefit he's referred to. So I've not changed my decision that it wouldn't be fair to ask Lloyds to meet the value of any potential claim.

I know Mr W feels strongly about his complaint. And I don't wish to minimise the impact this has had on him. But when I make an award, it must be fair and reasonable, taking into account our general approach to compensation, and awards made in similar circumstances.

Overall, I'm satisfied that £3,000 is fair, and recognises the impact Lloyds' actions have had on Mr W. Although I'm sorry to disappoint him, I'm not going to ask Lloyds to pay the higher amount he's asked for.

My final decision

My final decision is that I'm upholding this complaint, for the reasons I've explained above and in my provisional decision.

Lloyds Bank PLC should pay Mr W £3,000 in compensation.

They should also pay an additional £5.46 which is the balance owing to Mr W from when his accounts were closed.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 11 March 2022.

Helen Sutcliffe

Ombudsman