

## The complaint

Miss F has complained that Lloyds Bank PLC left her without a debit card after she reported some payments as fraudulent.

## What happened

Both sides are most familiar with what happened, so I'll summarise things in brief.

On 17 January 2021, Miss F reported a series of payments as fraudulent. Lloyds raised chargeback claims for her and gave her temporary refunds for the payments. Lloyds said they'd cancel her card and issue a new one. But they made a mistake, and so Miss F's new debit card didn't get sent out.

Miss F chased Lloyds and complained. On 9 February 2021, Lloyds admitted their error, apologised, and made sure her new card was ordered now. They also explained that the merchants had responded to the chargebacks and provided evidence that the payments were genuine and Miss F had received the goods at her address. So they reversed the temporary refunds.

Miss F came to our service. She explained that, without her debit card, she'd had to beg and borrow from friends and family to pay for things during the pandemic. She asked for a daily rate of compensation at £10/day for the first week and £20/day thereafter for each day she was without her card. Lloyds offered £100 compensation.

Our investigator looked into things independently and felt Lloyds' offer was fair. Miss F didn't agree, so the complaint was passed to me to decide.

I sent Miss F and Lloyds a provisional decision on 5 April 2022, to explain why I thought the complaint should be partially upheld. In that decision, I said:

*From what I've seen, Lloyds raised the appropriate chargebacks for Miss F when she said she didn't recognise certain payments. And the merchants in question responded with evidence that the payments had been made for goods sent in Miss F's name and received at her address, using her email address and genuine card details. And they'd been made from an IP address that Miss F also used for genuine payments and her online banking. There's nothing about the transactions that make me think they were fraudulent. And it doesn't look like Miss F disputed this further when the temporary refunds got reversed. So it looks like Lloyds handled things correctly there, and that both sides now accept these were genuine payments.*

*Moving to the issue of the card, Lloyds have admitted they made a mistake and apologised. And I can certainly understand why it would have been frustrating for Miss F to be without her card for some time when she was told it was on the way.*

*Miss F does not appear to have had any other cards at the time, so while waiting for her new card it looks like she really was left without any physical cards. And it's worth keeping in mind that this happened during a global pandemic. So I can certainly see why it would have been inconvenient for Miss F to be without this debit card. I appreciate that she's been candid and open with us about how she felt.*

*I do also need to keep in mind that once Miss F got her card cancelled by reporting fraud, it was always going to take some time for her to get a new one. And Lloyds' mistake only delayed things by a few weeks, which is certainly a significant inconvenience, but not what I'd consider extreme. And Miss F did still have access to her money by online, mobile, and branch banking. Of course, I acknowledge that it would have been more convenient to have her card, not least in the pandemic, when – for example – it might have been more difficult to use a branch. So I do think Lloyds needed to put things right.*

*When a business gets things wrong, we often tell them to pay compensation – to acknowledge their error and the impact it had. In terms of the amounts, it's worth bearing in mind that we're not here to fine or punish businesses. And we don't represent either side – we're a less formal alternative to the courts, but we're still impartial. We also don't base compensation on a daily or hourly rate.*

*We have guidelines about what levels of compensation to award, and I need to be consistent with those. Taking everything into account, I don't think £100 quite reflects the trouble Miss F was put to, given that she had to keep chasing Lloyds, and given that this all happened during the pandemic where the effects were exacerbated for her. So I think Lloyds should pay Miss F a further £100, to bring the total compensation to £200. I think this would better reflect the trouble and upset they caused her.*

I said I'd consider anything else anyone wanted to give me – so long as I received it by 19 April 2022. But neither Lloyds nor Miss F sent me anything new to consider.

### **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.

Neither side have sent me any new evidence or arguments. So having reconsidered the case, I've come to the same conclusion as before, and for the same reasons as set out in my provisional decision above.

### **My final decision**

I direct Lloyds Bank PLC to pay Miss F £200 compensation in total.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 17 May 2022.

Adam Charles  
**Ombudsman**