

## The complaint

Mrs C complains about the actions of Lloyds Bank PLC when she reported the passing of her husband and switched bank account.

Mrs C is being represented in bringing this complaint by a family member, however I have referred to Mrs C throughout this decision.

## What happened

I issued my provisional decision on this case because I intended to increase the compensation award to £1,500. I wanted to give both parties the chance to respond with anything else they wanted me to consider before I issued my final decision on the matter.

I have copied my provisional decision below, which also forms part of this final decision.

*"In April 2021, Mrs C went into a branch of Lloyds to go through her direct debits and to switch her account from the joint to a sole account. During the meeting, Mrs C let Lloyds know that her husband had passed away very recently.*

*The member of staff in branch let Mrs C know that the bereavement team would contact her within five days to discuss a number of accounts held by her husband and the contents of a private box, which her husband had deposited at the bank some years prior. Mrs C says she didn't hear from the bereavement team within five days and so she made steps to contact them herself.*

*Then, a couple of weeks later, Mrs C says she received a text from her mobile phone provider saying that it would end her contract at midnight. After Mrs C called the mobile phone provider, she was told its decision to end the contract was because the direct debit hadn't gone through.*

*Mrs C then contacted Lloyds to get more information about this. She was told that both of her accounts had been closed because it had been notified by a different company I'll refer to as "D", that she had passed away.*

*Mrs C says she was told repeatedly by Lloyds that D had told it to close her accounts. But Mrs C says she contacted the D herself, who advised her that they'd never tell a bank to close an account, and that it hadn't notified Lloyds that she had passed away. Mrs C says Lloyds reassured her that all of her direct debits had been set back up on the account – and so she wouldn't have any further problems, however she says this wasn't the case Lloyds and she had to spend a considerable amount of time on the phone to different providers to get this reset.*

*Following Mrs C's direct debits being incorrectly cancelled, Mrs C says that she experienced the below issues:*

- *A cheque Mrs C sent to the funeral directors hadn't been paid from her account.*
- *Her debit cards were cancelled, which meant she didn't have any access to money*

- and she couldn't do any online shopping for groceries.
- Mrs C says she was told by the council that her husband's widow's pension had been blocked.
- Mrs C's state pension had also been blocked and she hadn't been paid this for several weeks.
- She's said that her credit rating went to zero which meant she couldn't apply for a credit card (however this was quickly rectified by Lloyds).
- The police contacted Mrs C to let her know that her car had been spotted on the road without insurance.
- She wasn't able to get her boiler repaired because her Home Care direct debit had stopped collecting and so the contract had been cancelled.
- A different provider said they would charge her £1,500 for a cancelled contract.
- She received a letter to say that dividends couldn't be paid into her account.

As a result of the above, Mrs C says she spent many hours on the phone to Lloyds and other providers to resolve the payment issues. Some of the issues she's faced with the providers have taken a long time to rectify. Mrs C says this whole situation has caused her a huge amount of distress- she has felt frightened and isolated at a time that was already incredibly difficult for Mrs C, given the passing of her husband.

Mrs C complained to Lloyds. Lloyds initially responded to say it hadn't done anything wrong. It said it received notification from D that Mrs C had passed away and so it followed the correct process and blocked the account.

Lloyds then contacted Mrs C again at a later date to say it had re-reviewed the complaint and found that D hadn't in fact notified it of Mrs C's passing. And that this was an error on Lloyds' part. To say sorry, Lloyds offered Mrs C £300. But Mrs C didn't think this was enough.

Our investigator looked into things for Mrs C. He decided to uphold the complaint. The investigator felt that Lloyds actions had had a significant impact on Mrs C and so the compensation award should be increased to £1000 (in total).

Lloyds agreed to this. However, Mrs C didn't think this was enough for the below main reasons:

- £1,000 compensation is petty cash to a bank and doesn't fully reflect the problems she and her son faced trying to resolve the issues caused by Lloyds. Mrs C is concerned that that the low amount of compensation offered means that her complaint will be dealt with at branch level and not at head office.
- Several people Mrs C has spoken to about what has happened feels that £1,000 compensation for what she has been through is too low.

Because Mrs C didn't agree, the complaint has been passed to me to make a decision on the matter.

### **What I've provisionally 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.

Having done so, it is my current intention to uphold this complaint.

Firstly, I'd like to express my empathy for Mrs C's situation. It's clear that she's been through a very difficult time which has, understandably, caused her much upset. In reaching my

*conclusion, I don't wish in any way to downplay or disregard the situation Mrs C has found herself in. I've no doubt it was a truly horrible time for her. And I'm sure the impact of the error caused by Lloyds has made an already bad situation much worse.*

*But being independent means, I have to take a step back and consider what both parties have said. It's probably also worth noting here that it isn't the role of this service to punish or fine businesses. I understand that Mrs C wants compensation at a level that will have a financial impact on Lloyds – any level of compensation will have some financial impact. But this service's role is to look at the impact that the error, if any error occurred, had on that particular consumer with their particular circumstances.*

*Mrs C is being represented by a family member in bringing her complaint. And I understand that the family member has been very involved in supporting Mrs C in trying to resolve the matter. Clearly Mrs C's representative has been impacted by what has happened too, but I don't have the power to take into account the impact to Mrs C's family when considering a compensation award – I can only take into account the impact to Mrs C herself.*

*Lloyds has already said that it made an error in closing Mrs C's bank accounts. It initially thought that it had received information from the D that led to this action, but it has since become apparent that this error was actually down to something Lloyds has done wrong. Given that there doesn't appear to be a dispute about the underlying facts here, I will now decide if the offer accepted by Lloyds of £1,000 is enough to put things right for Mrs C.*

*The circumstances surrounding Mrs C's situation are particularly important in this case. Her husband of many years had recently passed away. Before any error had been made, Mrs C was already feeling very upset, distressed and likely vulnerable, given that she was now having to cope with living without her husband after so long, which is a big adjustment.*

*Lloyds has sent this service evidence to show that all direct debits and standing orders were cancelled on her account – this happened on 5 May 2021. The account was also blocked so the ability to make payments from the account with a debit card or receive money into the account was withdrawn. Which has inevitably led to problems for Mrs C.*

*It is of course difficult to 'put a price' on what Mrs C has been through. Not only has she had to go through the distress of the possibility of essential services being cut off (phone, TV, electricity, insurances), but she's also had money that was due to be paid into her account not go through because credits to the account were also blocked. She's experienced a lot of inconvenience while trying to resolve these issues – in both contacting Lloyds and the providers. She's experienced embarrassment and upset when a cheque wasn't paid to the funeral director. And I have no doubt that the letter she received from the police was shocking and distressing. On top of this, her debit cards had also been cancelled which meant she couldn't buy groceries online – which was of course very important to her given that all these things happened in the midst of a pandemic when people were understandably anxious about going outside of their home to shop.*

*I do think the impact Lloyds error had on Mrs C has been significant. And it follows that I don't think the £300 it offered her originally is enough to compensate her for what she's been through.*

*Lloyds agreed to increase the compensation amount to £1,000 in total following our Investigator's view. So, I will now decide if this is a fair amount to compensate Mrs C – and given the particular set of circumstances in this case, I don't think it is.*

*From what I've seen, Mrs C hasn't been impacted financially as a result of what Lloyds has done wrong – what I mean by this is that Lloyds hasn't caused her a financial loss. So the*

*compensation award relates to the distress and inconvenience Lloyds actions caused her.*

*Our website gives examples of different levels of compensation that this service will likely award in certain example scenarios – these are a helpful guide for all parties when considering what might be fair compensation. I've thought about this in the context of the impact Lloyds' actions had on Mrs C. And in doing so, I think the most relevant compensation award is the one below:*

*“An award of over £750 and up to around £1,500 could be fair where the impact of a business's mistake has caused substantial distress, upset and worry – even potentially a serious offence or humiliation. There may have been serious disruption to daily life over a sustained period, with the impact felt over many months, sometimes over a year. It could also be fair to award in this range if the business's actions resulted in a substantial shortterm impact.*

*Examples at the higher end could include where the effects of the mistake are irreversible or have a lasting impact on someone's health or even resulted in a personal injury”*

*There's no doubt in my mind that Mrs C has suffered substantial distress because of Lloyd's actions – this was very clear from listening to the call she had with our Investigator and taking into account that the error came at the same time Mrs C's husband had passed away.*

*I also think there has been a disruption to Mrs C's daily life while her account was reopened, and direct debits reset. Lloyds said that it had reset the direct debits on the account, but from what I understand, Mrs C actually had to make a lot of phone calls to the providers to ensure the reset had taken place, and to deal with the non-payment issues. Mrs C has also said that some of the providers had been very unhelpful in helping her resolve the matter – and while I appreciate the actions of other providers aren't the responsibility of Lloyds, Mrs C wouldn't have ended up in this situation if it hadn't been for the error Lloyds made.*

*Mrs C has said that Lloyd's actions have impacted on her mental health – and I think this too is understandable. She's said that what happened brought her to tears, suffered acute distress, been frightened and felt isolated – all at a time when she was grieving her late husband who had passed away only four weeks prior to Lloyds closing her account.*

*Having thought carefully about all of this – also taking into account the guidance available on our website which I referred to above – I think Lloyds should compensate Mrs C £1,500 in total to reflect the impact this situation has had on her.*

*I know it's possible that Mrs C won't feel that this amount fully reflects what she has been through – and the reality is, that no amount of compensation can unwind what has happened and how this made Mrs C feel at the time. And I really do empathise with what happened. But I do think overall this is a fair figure for the issues that have happened – and is in line with what we'd usually award in circumstances similar to those of Mrs C.”*

*Mrs C responded to say that she accepted the findings in the provisional decision.*

*Lloyds responded to say it had nothing further to add.*

### **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.*

Given that neither party has anything else for me to consider, I see no reason to depart of the findings in my provisional decision. It follows that I'm still of the view that Lloyds needs to do more to put things right for Mrs C.

### **Putting things right**

Lloyds needs to pay Mrs C a total of £1,500 to compensate her for the distress and inconvenience its actions caused her. Lloyds can deduct any payment it may have already made to Mrs C from this total.

### **My final decision**

For the reasons set out above, I uphold Mrs C's complaint. I order Lloyds Bank PLC to put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 6 June 2022.

Sophie Wilkinson  
**Ombudsman**