

The complaint

F, a club, complains that Lloyds Bank PLC didn't credit money to its account.

What happened

The official of F, who represents it in this complaint says that he drove to a Lloyds branch and his wife put two envelopes into a slot outside on 21 June 2021. One contained cash of £500 and the other cash of £210 and £90 in cheques. He has provided a copy of the paying in book receipt stub for each. Neither deposit was credited to the account. When he realised he tried to speak to someone at Lloyds about this, but no one called back, and he then raised a complaint.

Lloyds said it had no record of this money. It said that the slot F said it had used was a letter box and wasn't for depositing money. It is possible that the envelopes were 'hooked' out by a third party. But it has no CCTV or evidence to show what happened now. It paid F £50 as it accepted that it hadn't followed up on its query.

Our investigator didn't recommend that the complaint be upheld. He said that he couldn't see anything to indicate that this letter box was safe for deposits. The manager at the branch had said that this was solely for post and wasn't advertised as a drop box or safety deposit box. The letter box had been checked to make sure nothing had been jammed inside and Lloyds said that it would have been emptied by staff and post forwarded to the appropriate part of the branch. Extensive searches had been made and nothing found, and he wasn't able to conclude Lloyds was at fault.

He noted that F said it had paid in money at around the end of May 2021 in this way too and deposited four envelopes with paying in slips. These deposits had been credited to the account, but Lloyds said it had no way of confirming how they'd been received. This service isn't the regulator and can't say how any box should be marked up or that Lloyds should have contacted F to say not to deposit funds in this way.

F didn't agree. It said that Lloyds couldn't say the envelopes were posted but also couldn't say they weren't. It is disappointing that there is no CCTV evidence and a camera over this spot might deter criminals. There were no warning signs on the box, and it doesn't say that it is only for letters. Given the pandemic at the time the official didn't want to go into a branch. He used Lloyds' green envelopes and he should have been contacted before if it hadn't wanted deposits in this way. There had been an obligation to contact him if letters had been stolen. He didn't think that this complied with a requirement to treat customers fairly and wanted to know how this could be taken forward. This amount was a small proportion of Lloyds profits and F had acted in good faith and should be credited with the . A photographic example of a branch of another financial business that had clearly separately labelled a box for letters and a night safe was given. At Lloyds the slot used was next to the cash machine: so, the cash machine was for money out and this was taken to be for money in. F wanted an ombudsman to review the complaint.

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'm sorry to hear what F says about losing money in this way and I appreciate the impact for the organisation. I need to decide whether Lloyds made a mistake or acted unreasonably in not crediting these disputed deposits.

I've looked at a picture of the outside of the branch and the layout is as F describes. Having said that I don't think it was reasonable to assume that the slot that F used was other than a letter box. There was no marking as a deposit box, there was no lock or security and there was no receipt given. Having said that I can see why F would think that once the envelopes were on bank premises they'd be safe.

The previous envelopes posted in this way F says only contained cheques. And there would be a way to stop cheques that had gone missing. I'm unclear here what happened to the £90 of cheques that formed part of the disputed amount here and whether these could be reissued. In any event F says it had also deposited cash which was clearly untraceable if it went missing. I'm afraid that although I understand why F acted in this way until Lloyds had received and checked the amounts the risk of loss was borne by F. I don't have evidence to confirm Lloyds received this money and it says that it didn't. It has put forward a plausible way in which an envelope might be removed back through the letter box. Frankly I can't know what happened to any money posted by F in this way and so fairly find Lloyds at fault.

This service isn't the regulator and it is a matter for Lloyds to set its processes. Lloyds decided not to have a deposit box at this branch and not unreasonably needs a letter box. It says that it can't stop customers posting money through a letter box. And I don't have a basis to say what if any markings and or cameras it ought to have in place and so to consider whether that would in practice be any deterrent or not. I also can't say it should have contacted F after the first deposits to tell it not to use this method again.

So, I know that the official of F will be very disappointed when I say that I won't be requiring Lloyds to anything more than it has already. And which was to pay F £50 for not following up on its initial contact.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask F to accept or reject my decision before 29 September 2022.

Michael Crewe
Ombudsman