

The complaint

Mr G complains that Lloyds Bank PLC unfairly blocked his current account.

What happened

The background to this complaint and my initial conclusions were set out in my provisional decision. I said:

Mr G has a current account with Lloyds. Mr G has told us he moved abroad in early 2020 and wrote to Lloyds with his new address. But Lloyds says it didn't have an up to date record of Mr G's signature and couldn't verify his request to amend his address. As a result, Mr G's address wasn't changed.

Mr G later completed a change of address form online but Lloyds says it wasn't able to verify him and placed restrictions on his account. Lloyds says a block was placed on Mr G's account in June/July 2020 and removed around a month later.

In June 2021 Lloyds applied further blocks to Mr G's account and he went on to raise a complaint. Mr G has explained that he was unable to meet basic living costs during this time as he was unable to transfer his pension payments to another account.

Lloyds took steps to remove the account blocks and update Mr G's address. Lloyds issued two responses to Mr G's complaints and offered him £250 to apologise for the distress and inconvenience caused.

An investigator at this service looked at Mr G's complaint. They thought Lloyds had dealt with Mr G's complaint fairly and didn't ask it to do anything else. Mr G asked to appeal and said the compensation offered didn't reflect the level of upset caused or length of time he's spent trying to resolve matters. As Mr G asked to appeal, his complaint has been passed to me to make a decision.

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.

Lloyds has explained there were two blocks placed on Mr G's account. One in 2020 and another in 2021. Our investigator asked Lloyds to explain why the block in 2020 was put in place and why it was removed. Lloyds' response doesn't clarify what happened or why the block was initially removed, only to be put back in place a year later. I think Lloyds missed an early opportunity to deal with the address issues that were impacting Mr G's account. I note Lloyds says there were verification issues because it didn't hold an up to date record of Mr G's signature. But Lloyds only arranged to send out the form required to update a signature in September 2021, over a year after the first restrictions were put in place.

Mr G has also sent us evidence that the error messages he received when trying to access his online banking facility. I note they don't specifically explain what the issue was. And, Mr

G has told us the call wait times meant he wasn't able to speak with Lloyds when he called. I can see Mr G contacted Lloyds about the account block in July 2021 but it took it until September 2021 to update his details and remove the restriction. I understand Lloyds has now resolved the issue so Mr G can access his account in full.

Lloyds has paid a total of £250 to apologise for its errors. But I'm not persuaded £250 fairly reflects the overall impact of the way account restrictions were applied or the inconvenience caused to Mr G over a significant period. I think early opportunities to update Lloyds' records were missed and that it could've taken steps to update Mr G's details, get a copy of his signature and ensure his account access was correctly working in 2020. Whilst I haven't seen evidence that shows Mr G had no other access to funds during the time his account was blocked, I am satisfied he wasn't able to use his main source of funds – his pension. And I'm satisfied that did have an unfair impact on Mr G in addition to the other inconvenience caused.

Taking all the available evidence into account, I intend to increase the total award by a further £200 taking the compensation payment to £450. In my view, that figure fairly reflects the level of distress a and is a more reasonable way to resolve his complaint.

I invited both parties to respond with any additional comments or information they wanted me to consider before I made my final decision.

Lloyds responded and said much of the inconvenience could've been avoided if Mr G had updated his address before leaving the country.

Mr G responded in detail. Amongst other points, Mr G said customers shouldn't be held responsible for keeping bank records up to date but that he had complied over the years. Mr G also said that at no time did he agree with the way Lloyds had resolved his complaint. Mr G said he also wanted the specific dates his account had been blocked in 2021 and noted it was in place for longer than one month.

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'd like to thank both parties for their responses. I've read and considered everything Mr G and Lloyds has sent us. Mr G forwarded his case documentation to ensure I'd had full sight of the relevant information. I'd like to assure Mr G that everything he sent us during the investigation was made available to me when reaching my provisional decision. I've also looked over everything Mr G has said and sent in response to the provisional decision to see if it changes my mind.

As noted in the provisional decision, our investigator asked for more details from Lloyds concerning the circumstances of its block in 2020. No clear explanation of what happened has been given. Lloyds' response implies the issue came about due to Mr G's move to another country without first updating his records. And Lloyds sent information from Mr G's statements that shows transfers to a bank in Canada from early 2020 (although his account was blocked for several months from February 2020).

I understand Mr G could've taken more timely action to update his details. But I remain of the view that there was an unreasonable level of inconvenience caused to Mr G here. Lloyds hasn't shown why it removed the account block in 2020 or why it was put back in place in 2021, beyond implying it related to Mr G's address. And I remain satisfied opportunities to assist Mr G in updating his records and getting his account working were missed. So whilst I

agree Mr G could also have taken earlier action, I haven't been persuaded to change my decision to uphold his complaint.

Mr G's response says his account was blocked for longer than a month in 2021. The statement evidence shows that between the end of June 2021 and the end of September 2021 withdrawals were limited on Mr G's account. And the evidence on file shows it took around three months for the block to be removed. I've factored that in when deciding how to resolve Mr G's complaint.

I haven't been persuaded to change the conclusions I reached in my provisional decision. I still think Mr G's complaint should be upheld, for broadly the same reasons.

My final decision

My decision is that I uphold Mr G's complaint and direct Lloyds Bank PLC to pay him a total of £450, less any compensation already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 16 November 2022.

Marco Manente
Ombudsman