

The complaint

Mr M and Mrs M complain that Lloyds Bank PLC won't refund the part of a cash machine withdrawal from their joint account that they didn't receive.

What happened

Mrs M explains that she tried to withdraw £200 on 18 September 2021 but only received £50 from a cash machine. She was told by staff that the machine had likely run out of £20 notes. She went to a Lloyds cash machine and took out £150. And she made a claim for the £150 she hadn't received.

Lloyds said it wouldn't be refunding the money. The cash machine was operated by another part of its business group. It had received information from that business that the cash was dispensed correctly. Lloyds stated at the time of the final response letter that *"the machine balanced"*. When it provided a business file to this service it said that the cash machine *"balanced with no surplus"*. And when it provided further information about the machine it said that it was *"balanced on 21/09/21 and there was no surplus/overage."* It then added that any rejected cash in the machine *"gets counted along with any remaining money in the cassettes"* when the cash machine is balanced.

Our investigator didn't recommend that the complaint be upheld. He said that the information provided by Lloyds was that 20 £10 notes were dispensed to Mrs M at 10:58 that day. The machine was used by another customer without apparent incident at 11:05. He said that Lloyds had provided information to show that the machine was balanced a few days before and then a few days after that day. While the machine had gone out of service later that day and didn't dispense cash that wouldn't have affected Mrs M's withdrawal. Lloyds didn't have information about rejected notes and the journal entry and balance information was sufficient.

Mrs M didn't agree and wanted the complaint to be reviewed. She said that she wouldn't pursue this given the amount unless she'd lost money. And she was sure that only £50 had been dispensed and she'd been told in the branch that the machine had likely run out of cash. That's why she'd gone to make a further withdrawal and immediately made a claim when she found her account had been debited with £200 and not £50.

my provisional decision

I issued a provisional decision on 20 October 2022. I set out below what I said.

I wouldn't be able to say *exactly* what happened and I would be thinking about what is *most likely*. Through our investigator I asked Lloyds for some more information about the cash machine.

It now stated that the machine wasn't balanced on 21 September 2021 but on 28 September 2021 and that there was no difference that would account for the amount in dispute here. It said that it would be contacting the branch for balancing sheets on that day and provide them. It said that information about retained notes in the machine was "*not relevant*" as this was "*not conclusive of a successful or unsuccessful cash withdrawal and isn't used as evidence as an industry standard*" and could be accounted for by rejected or soiled notes and machine testing. It also said that "*purge bins are often emptied between balances.*"

I'd looked at the version of events Mrs M gave Lloyds when she complained. She said that the 'shutter' on the machine had closed after £50 had been dispensed. And she'd gone straight into the branch and her husband had waited by the machine. It seemed to be accepted that she'd been told by a staff member that the machine had likely run out of money and if so she wouldn't be debited. And she then went to a Lloyds branch and withdrew £150 from a cash machine. When she was told that she'd also been debited the full £200 too she raised a dispute.

As referred to by our investigator I noted that the cash machine did have a fault later on 18 September 2021. And that the machine was also serviced on 21 September 2021 but as is now stated not balanced that day. There were retained notes in the machine at that time. I didn't have the details of the balancing information still for that or any other day or any statements from the branch about what happened.

Generally, a copy of the journal roll showing successful entries before and after the one in dispute, as here, and details about the cash machine balancing could be sufficient to demonstrate that no error was made. And may lead to a conclusion that Mrs M had been somehow mistaken. However, I thought that the following points are relevant:

- This service has as set out above been provided it seems with inconsistent information about the balancing of the machine and about how rejected notes are dealt with.
- I still hadn't seen the balancing sheet for 28 September 2021 and Lloyds has had ample time to provide this.
- Mrs M in my view has given a plausible and I found reliable explanation of what happened, and I could see from her statement that she did withdraw £150 from Lloyds that day after the disputed withdrawal.
- While information about the rejected notes is I accepted not conclusive, what I had seen about them isn't inconsistent with an error being made here. And the machine has been said to have been found subject to errors albeit there wasn't a discrepancy to account for the whole £150 disputed here. But it had been accessed at least twice from 18 September 2021 before the date it was balanced.

Having weighed all the factors I found it most likely that an error has been made. I made clear that even if Lloyds were now to provide the balancing information for 28 September 2021 I'd be unable to place significant weight on that given the inconsistent information. And also, because it fairly should have provided this already to support its case and without explanation has relied on different information before.

So, I said I intended to uphold this complaint and to require Lloyds to refund the money together with simple interest of eight percent per annum to reflect that Mr M and Mrs M haven't had this money.

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.

Lloyds said that in light of my comments it accepted my provisional decision.

Mr and Mrs M said that they had nothing to add and hoped that this would be resolved soon.

My final decision

My decision is that I uphold this complaint and I require Lloyds Bank PLC to:

- 1) Refund £150 to Mr M and Mrs M.
- 2) Pay simple interest of 8 per cent per annum from the time the money was debited to the date of settlement.

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

Michael Crewe
Ombudsman