

The complaint

Mr M complains that Lloyds Bank PLC closed his bank account without providing an explanation. He'd like to understand their reasons and receive compensation.

What happened

Mr M had a personal account with Lloyds.

On 22 April 2021 Lloyds issued Mr M with a 65 day notice to close his account.

Mr M complained to Lloyds about the account closure, highlighting he'd previously worked for them and wanted to know the reason behind their decision. But Lloyds didn't uphold his complaint, overall they thought they'd acted fairly by giving 65 days' notice as per the terms and conditions of the account.

One of our adjudicators looked into Mr M's complaint. They asked Lloyds their reasons for closing Mr M's account - but Lloyds explained they didn't need to provide them, as they'd complied with the 65 day notice period as part of the terms and conditions.

Mr M didn't agree. In summary he said Lloyds had a responsibility to explain their actions in choosing to close his account, and demonstrate they've treated him fairly.

I reviewed Mr M's complaint and came to a different conclusion to our adjudicator. In summary I explained for me to assess whether Lloyds complied with the terms and conditions of Mr M's account I'd need to be provided with the reasons for their actions, which I didn't have. For this reason I wasn't able to conclude Lloyds acted fairly – and I advised them to pay Mr M £200 for the inconvenience caused.

Lloyds didn't agree. They explained they weren't under an obligation to disclose the reasons for their actions – and they'd complied with the terms and conditions of the account in closing it with 65 days' notice.

Mr M was pleased with the change in outcome, but felt Lloyds should be punished more severely for their decision to close his account without any reason.

As neither party agreed with my recommendation I've proceeded to review my conclusions, and issue my decision.

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.

To close a customer's account Lloyds need to show they've applied the terms and conditions fairly. Our adjudicator asked Lloyds on two occasions to explain their reasons for closing Mr M's account. However, they've explained that as they can close a bank account for any reason by giving 65 days' notice they don't need to provide an explanation.

I've considered Lloyds' argument - but I'm afraid I can't agree. Without Lloyds providing an explanation for *why* they decided to close Mr M's account I haven't seen enough information to show me they were complying with their terms and conditions.

It's true that usually when a bank gives 60 or 65 days' notice of closure their reasons will often be in line with the terms and conditions of the account. However, because I've not seen the reasons for closure I can't conclude Lloyds' actions were fair and reasonable.

Putting things right

I've thought about the impact on Mr M from Lloyds' actions. Mr M was caused inconvenience in making a number of phone calls to Lloyds and attending the local branch. Mr M has also experienced anxiety, shown by him contacting the local police in an attempt to discover any active police investigations or adverse data recorded against him.

Mr M's argued that Lloyds should be penalised for closing his account *without* providing reasons or showing they complied with the terms. I understand this will disappoint Mr M but my role isn't to punish Lloyds for any mistakes they've made – the ombudsman service isn't the regulator, that responsibility sits with the Financial Conduct Authority. It's my role to determine the impact Lloyds' errors had on Mr M – and I'm satisfied £200 compensation is fair redress for this.

My final decision

My final decision is I uphold this complaint and direct Lloyds Bank PLC to:

- Pay Mr M £200 compensation for the distress and inconvenience caused to him

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 19 December 2022.

Jeff Burch
Ombudsman