

## **The complaint**

Mr M complains that Lloyds Bank Plc blocked a payment he needed to make and then took an unreasonable amount of time to unblock his account.

## **What happened**

On 2 July 2022 Mr M was trying to purchase a vehicle. He tried to make a payment to the seller but it was flagged by Lloyds, and he was asked to call the bank before the payment could be made.

Mr M contacted Lloyds to try and unblock the payment, and Lloyds suggested he should instead use PayPal to make the required payment. Mr M did so, under the impression this would give him additional protections, but that was incorrect, and using PayPal also led to additional costs for the seller which Mr M had not expected, so he arranged for the payment to be reversed.

Mr M continued to try to make the payment via Lloyds, but his online banking had been blocked, and he had to call again to resolve that issue. Ultimately, Mr M was able to make the payment on 5 July 2022, but the issues he'd had, and the time he spent on the phone trying to resolve things, had caused him significant stress.

Mr M raised several complaints with Lloyds about what had happened. It looked into things and agreed he had been provided with poor service, so it paid him £151 to recognise the impact of this.

Mr M remained unhappy, he felt that the level of distress he'd experienced merited a higher award, so he referred his complaint to our service.

One of our Investigators looked into what had happened, they agree that Mr M had been provided with poor service overall, and did not feel the compensation Lloyds had already paid was high enough. They recommended that Lloyds pay an additional £250 to Mr M.

Lloyds agreed with the Investigator's findings, but Mr M felt that this still did not recognise how distressed he had been by what had happened, so he asked for his complaint to be passed to an ombudsman for review.

## **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.

Having done so I've reached the same conclusions as our Investigator and for the same reasons.

It's evident from what I've seen that Lloyds did make errors here. It wasn't unreasonable for it to carry out additional checks on the payment Mr M was trying to make – it was for a large

amount and to a new payee – but once Mr M made contact with Lloyds I agree that the service he was given could have been better.

As Lloyds has noted, Mr M was given misleading advice about the benefits of using PayPal for the payment, his online access was blocked because data was not correctly updated by Lloyds, and the service he received when speaking to Lloyds on the phone was not up to the standard expected. Mr M also spent a significant amount of time on the phone trying to resolve these issues.

I understand that Mr M was very distressed about this, he's explained how he was feeling at the time and I've listened to the calls where he also told Lloyds how upset he was. So I agree that additional compensation on top of the £151 already paid is appropriate here, I do though consider that the amount recommended by our Investigator – an additional £250 – is reasonable in all the circumstances of this complaint.

I appreciate that Mr M feels a higher compensation award would be appropriate given the impact he feels these issues have had on him, but compensation can be subjective and what might feel reasonable or enough to one person might not be the same for another. Our awards also aren't intended to be punitive or to punish the bank for what has happened. So based on what I've seen I think the additional £250 Lloyds has now agreed to pay to him is fair and in line with what I would have recommended in the circumstances.

I appreciate this may be very disappointing for Mr M, but I hope he at least now feels that his concerns have been listened to.

### **Putting things right**

Lloyds should pay Mr M £250.

### **My final decision**

I uphold this complaint. Lloyds Bank PLC should put things right in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 8 June 2023.

Sophie Mitchell  
**Ombudsman**