

The complaint

The estate of Mr P is unhappy that Lloyds Bank PLC didn't include the requested reference details when making a payment to its solicitors.

What happened

Following the death of Mr P, Lloyds transferred money from the late Mr P's account to the solicitors appointed by the estate. The solicitors asked Lloyds to reference the payment with a specific reference number as well as with 'Lloyds'. But when Lloyds sent the payment, they included the reference number only, and didn't identify themselves as a second part of the reference as requested.

This caused the solicitors to have to take time to identify the received payment, the cost of which was then passed on to the estate. The estate of Mr P wasn't happy about this, so it authorised the solicitors to raise a complaint on its behalf.

Lloyds looked at this complaint. But they felt that reference number they'd included should have reasonably been enough for the solicitors to have identified the payment, and so didn't uphold the complaint. The estate of Mr P wasn't satisfied with Lloyds' response, so they referred their complaint to this service.

One of our investigators looked at this complaint. During their review, it was agreed by Lloyds that they should have included the exact reference requested by the solicitor when making the payment, and so they agreed to reimburse the requested costs to the estate. However, the estate of Mr P also wanted Lloyds to reimburse the further costs that had been incurred by the estate surrounding its bringing the complaint to this service.

Our investigator didn't feel it was reasonable to expect Lloyds to cover these further costs, so the matter was escalated to an ombudsman for a final 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.

Lloyds have agreed to reimburse the £177 plus VAT that the estate of Mr P was originally seeking. As such, I won't comment further on this aspect of the estate's complaint, other than to confirm that I will be upholding this complaint in the estate's favour on that basis.

However, I won't be instructing Lloyds to take any further action beyond this reimbursement, and this includes that I won't be instructing Lloyds to cover any further costs that the estate of Mr P may have incurred in bringing this complaint to this service.

The main reason for my position here is that I'm satisfied that any further costs the estate may have incurred in this regard were reasonably avoidable and could have been mitigated against.

This is because this service is free service, and it doesn't seem either fair or reasonable to

me to expect Lloyds to cover avoidable costs incurred by the estate resultant from its decision to instruct a fee-charging third-party to bring its complaint to this free service on its behalf.

Accordingly, I'm satisfied that any costs the estate of Mr P may have incurred in this regard should fairly be incurred by the estate itself.

I realise this won't be the outcome the estate of Mr P was wanting, but I hope it will understand, given what I've explained, why I've made the final decision here that I have.

Putting things right

Lloyds must make a payment of £177 plus VAT to the estate of Mr P.

My final decision

My final decision is that I uphold this complaint on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr P to accept or reject my decision before 23 March 2023.

Paul Cooper
Ombudsman