

The complaint

Mr M has complained that when he deposited £1,700 cash at the counter in the branch Lloyds Bank PLC wrongly credited his bank account with £1,200.

What happened

Mr M and his wife had recently had a new baby. Friends and family had given him some money for the new baby. Mr M said he and his wife had carefully counted it and it amounted to £1,700 broken down as follows: 20 £5 notes, 28 £20 notes, 100 £10 notes plus £40.

So, on 21 September 2022, Mr M said he went to his local branch of Lloyds and went to the counter to deposit the £1,700 cash. He said he was served by the branch manager who asked how much cash it was which he confirmed was £1,700. She then asked him to put his card in the machine and enter his PIN. Mr M said when that was happening his cash was being fed through a counting machine which kept jamming, so the process was continually repeated. Mr M said that also delayed the process and there was queue of people building up behind him. The manager asked him if he wanted a receipt to which Mr M said yes. The receipt was handed to him and Mr M said he then walked out. On checking the receipt as soon as he left, he saw it said he had deposited £1,200. So, Mr M said he turned around and went back into the branch and had to queue up to speak to the branch manager.

Mr M said once he raised the issue that the receipt said only £1,200 had been deposited the branch manager got very defensive. Mr M said he then told her the number of notes for each amount which also clearly added up to £1,700. Mr M said the branch manager refused to accept this and started raising her voice, causing the other people queuing to look at him. Mr M then said the manager accused him of being a liar and that they get people trying to steal from them all the time. When Mr M said he wanted to raise a complaint and that he wished for the CCTV to be checked, he said the manager told him she was the manager and she wasn't going to do anything about his complaint and she refused to check the CCTV. Mr M said the encounter left him hugely embarrassed.

Mr M said he then left the branch and phoned the complaints department from his car. In the call he also explained he had moved address, so his address needed changing. He said he was told to do this through the app also which he did right away.

Lloyds looked into his complaint and phoned him to say it wasn't upholding it. It said there was no discrepancy and it also reiterated it wouldn't look at the CCTV. Unfortunately, the final response letter was sent to Mr M's previous address which sadly caused Mr M more trouble and upset.

Dissatisfied Mr M brought his complaint to us. The investigator didn't think it should be upheld but did think Lloyds should pay Mr M £100 compensation for sending the final response letter to his previous address.

Mr M didn't agree so his complaint was passed to me to decide.

I issued a provisional decision on 2 August 2023 and I said the following:

'Mr M's testimony is straightforward and has been consistent throughout. More so given he also counted the number of notes for each denomination and that this was money given him and his wife on the birth of their child, which also is not unusual.

Whilst I can see Lloyd's handwritten evidence from the manager that the tills balanced that day, I have not received system evidence of what Lloyds say Mr M was depositing, namely the £1,200 other than by way of the bank statement. Nor indeed have I seen any corroborated system evidence of the opening and closing balance of the tills. There is no dispute that the counting machine kept jamming. Lloyds have said that's due to the condition of the new polymer notes, but it hasn't shown me that nonetheless it was still capable of counting the notes correctly, regardless of the jamming or the condition of the bank notes being counted. Sadly, it appears this counting machine has no timing device or record to show what it counted and when.

Lloyds are relying on the testimony of the branch manager who apparently explained to Mr M during the lodgement process wasn't counting £1,700 but merely £1,200. However, this is not corroborated by Mr M's own testimony as he said he didn't notice it wasn't £1,700 until he walked out of the branch and looked at his receipt. And then he came straight back in again to question it. However, Lloyds' manager said this was 30 minutes later. On balance I am presently preferring Mr M's evidence on this as otherwise why would he come back in when he already knew only £1,200 was deposited as he would have raised his complaint there and then.

Mr M's evidence is that he literally turned around once he saw the receipt said £1,200 and not £1,700 and went back to queue up at the counter and then queried the deposit. And then asked for the CCTV to be checked. It's possibly doubtful the CCTV would have shown all the notes Mr M deposited, however from the start Mr M requested this CCTV evidence to be preserved. I find it disappointing that it wasn't so preserved in the particular circumstances of this complaint and given the dispute solely relies in Mr M's word as against that of the branch manager who also wrote up the handwritten notes I believe of the till receipts. It certainly might have helped swing the balance one way or the other at much earlier stage.

Mr M's evidence is that the branch manager became defensive on his return to the counter and that she wouldn't deal with his complaint because she was the branch manager. He said she accused him of lying and that people tried to steal from the bank all the time. Mr M has been a longstanding customer of his bank since 2000 and has never made any complaint before. So, I think it's unlikely he would have raised this one unless his concerns are genuine. Further as we can see from his bank statements, he appears to have made cash deposits before and since with no issue, also. I also note in the case report that further instruction was given to the branch manager to deal with complaints in accordance with Lloyd's procedure and that it was not appropriate to refuse to deal with Mr M complaint in the manner the branch manager did on his return to the counter.

Therefore, on balance I'm not satisfied it has been clearly shown that Mr M didn't deposit £1,700 like he said. I don't consider Lloyds evidence goes far enough to show me only £1,200 was counted. And I see no reason to disbelieve Mr M's account that he only realised the discrepancy as he walked out the door looking at the receipt. As otherwise he would have had made his complaint at the counter before leaving. And not as the branch said sometime later. Obviously since no CCTV was preserved at all we will never know the timings of Mr M's attendance at the counter each time with the branch manager. The CCTV could have at least corroborated that detail which again would have given credence either to Mr M's account or indeed that of

the branch manager. Consequently, I consider Lloyd's should now refund Mr M the sum of £500 with interest for the time he's been without these funds.

Sadly, despite Mr M telling the complaints department his address had changed and also changing it on the app, Lloyds nonetheless sent the final response letter to his former address, which he said then caused bad feelings with the present occupiers of his old address. The investigator said Lloyds should pay Mr M £100 compensation for this and I agree. However I also think given Mr M's account of the manner in which he was spoken to and the fact that the complaints team had to advise on the branch manager on how to deal with complaints that the entire encounter also caused Mr M unnecessary distress and upset. Therefore, I consider that Lloyd should pay a further £150 compensation for this.'

Lloyds agreed with my provisional as did Mr M. Mr M again expressing his frustration as being treated in the manner he was. He noted that many customers using this branch would not have English as their first language and that it's just not right to treat customers like he was treated.

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.

As both parties agree with the outcome expressed in my provisional decision, I see no reason to change it.

My final decision

So, for these reasons, it's my final decision that I uphold this complaint.

I now require Lloyds Bank PLC to do the following:

- Refund Mr M the sum of £500. Adding interest of 8% simple per year from the date of his deposit to the date of the refund. If income tax is to be deducted from the interest, appropriate documentation should be provided to Mr M for HMRC purposes.
- Pay Mr M a total of £250 compensation for the distress and upset caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 7 September 2023.

Rona Doyle
Ombudsman