

The complaint

Mrs B complains about the service she received from Lloyds Bank PLC (“Lloyds”) in connection with the closure of her savings account.

What happened

Mrs B held a savings account with Lloyds. She says she spoke to Lloyds on the phone and told the call handler that she wanted to close the account and withdraw the balance. The call handler told Mrs B that she would need to go into the branch to do this. Mrs B says it was arranged during the phone call that she would go to the branch on a particular day. But when she got to the branch, the staff there weren’t expecting her. They said she couldn’t close the account and withdraw the cash without an appointment. But Mrs B thought an appointment had been made for her and was annoyed that she’d had a wasted trip.

She went home and called Lloyds to raise a complaint. She was told that the account had already been closed. There had been a significant amount of money in the account, but Mrs B hadn’t received it. She didn’t know what had happened to the money and didn’t have access to it at this point. She was very distressed, which exacerbated her health conditions.

Lloyds responded to the complaint and said it should have made an appointment for Mrs B at the branch. It apologised for the inconvenience caused and paid £40 into her current account. Lloyds then sent Mrs B a cheque for the savings account balance. But Mrs B wasn’t happy about this as she says she had asked for cash. She says that, by this point, she hadn’t had access to her funds for several days. She paid the cheque into her current account and then withdrew the cash at the branch.

Mrs B remained unhappy about the situation and asked this service to look at the complaint. I issued a provisional decision on 8 February 2023 indicating my intention to uphold the complaint and award Mrs B further compensation of £210. Lloyds accepted the provisional decision. But Mrs B was disappointed and said that the compensation didn’t reflect the distress she had experienced. She asked me to consider raising the award to at least £750. I’m now making a final decision about the complaint.

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.

I’ve considered Mrs B’s comments about the impact of not being able to access her funds and I’ve thought about everything again. I’ll comment on this in more detail below. But I haven’t changed my mind about the appropriate amount of compensation here. I’m sorry to disappoint Mrs B, but I’m going to uphold the complaint in the way I indicated in my provisional decision. My reasons are set out below.

Lloyds says an appointment was needed to close Mrs B’s account and withdraw the balance. It says that, because of the amount of money in the account, the branch needed notice of the withdrawal to ensure enough funds were available on the day. Lloyds accepts

that the agent Mrs B spoke to on the phone gave the impression that an appointment had been booked for her at the branch on 13 September 2022. But no appointment had been made. Lloyds says that it should have made an appointment for Mrs B. So, I don't need to decide that point. Instead, my decision focuses on the impact of this and whether Lloyds has done enough to put that right.

When Mrs B attended the branch on 13 September 2022, the staff said they couldn't deal with her request (to close the account and withdraw the balance) as she didn't have an appointment. But, when she called Lloyds later that day, she was told that her account had already been closed. This is confirmed by her statement, which shows that the account was closed on 12 September 2022. I think it's understandable that Mrs B was shocked at hearing this. She'd been led to believe that it wasn't possible to close the account without an appointment. She was concerned about what had happened to the money in the account.

Mrs B's statement shows the funds as having been paid out on 12 September 2022, leaving a zero balance. But Mrs B didn't receive the funds on 12 September 2022. Lloyds raised a cheque on 21 September 2022 and posted it to Mrs B that day. Mrs B says she received it on 23 September 2022. I find that Lloyds hadn't told Mrs B it would send a cheque or when this would happen. And I haven't seen anything which explains why it took nine days for the cheque to be raised. I don't think it was reasonable that it took this long.

Lloyds responded to the complaint on 19 September 2022. The final response letter dealt with the fact that no appointment had been made for Mrs B. It went on to confirm that her account was now closed. But it didn't make any reference to the account balance or how this would be paid to Mrs B. So, until she called Lloyds on 23 September 2022 (the same day she received the cheque), Mrs B didn't know what had happened to the funds and wasn't able to access them. She says this was very distressing and I think that's understandable.

Mrs B is unhappy that the funds were sent to her by cheque. She says she made it clear from the outset that she wanted to withdraw the balance as cash. It seems to have been this requirement for cash that made the branch appointment necessary. The account was closed in between Mrs B's initial phone call and the unsuccessful branch visit. So, the branch visit clearly wasn't necessary in order to close the account. But Mrs B would have needed to go to the branch to withdraw cash and Lloyds' notes confirm that notice was needed because of the amount involved. So, I think Lloyds knew that Mrs B wanted the money as cash.

She received a cheque instead. This was paid into Mrs B's current account in the branch on 30 September 2022. In the meantime, Mrs B had referred the complaint to this service. The print-out from the branch says that the cheque was due to clear by the end of 3 October 2022. Mrs B withdrew the funds on 4 October 2022 in the branch, with authorisation from the branch manager. So, she withdrew the funds at the earliest opportunity after they had cleared into her account.

I'm satisfied that, if she had been able to do so, Mrs B would have withdrawn the cash from her savings account in the branch on 13 September 2022. The reason she couldn't do that was because no appointment had been made, even though Mrs B thought it had. Lloyds accepts that it should have made the appointment. But, even after the issue came to light on 13 September 2022, Lloyds still didn't make an appointment for Mrs B.

It told her that her account had been closed but didn't tell her what had happened to the balance. As I explained above, I find that Lloyds knew Mrs B wanted to withdraw the funds as cash. But it sent her a cheque. This wasn't sent to her until nine days after the account was closed. Mrs B then had to visit the branch to pay in the cheque and wait for it to clear. So, although her account was closed on 12 September 2022, she couldn't withdraw the cash until 4 October 2022. I don't think Lloyds is necessarily responsible for the delay in the

cheque being cashed. But, with the possible exception of those seven days, I think Lloyds' actions caused a delay in Mrs B's funds being available to her.

I think it was understandable that Mrs B was worried about what had happened to the funds up until she received the cheque. I don't think that was fair.

Putting things right

For these reasons, I think Lloyds needs to pay some further compensation to Mrs B. It's very difficult to put a monetary value on the stress and inconvenience caused by a situation like this. I've thought carefully about how much this should be and I've considered the comments from Mrs B in response to the provisional decision. She explained that she suffered considerable distress as a result of being unable to access her savings. She offered to provide medical evidence of this, but I don't think I need to see that here. I don't doubt what Mrs B says about how she was affected by the experience.

As well as aggravating her health issues, the situation caused Mrs B worry about what had happened to her funds. She didn't know what had happened until she received the cheque. And then she wasn't able to access the funds until the cheque cleared. Mrs B explained how she is dependent on her savings and I sympathise with the situation in which she found herself. But I haven't seen evidence of any specific detriment she suffered through not having access to the funds over that period. And I note there was a delay of one week between Mrs B receiving the cheque and paying it in, which I can't attribute to Lloyds. I note that the branch manager authorised the cash withdrawal on 4 October 2022, so that Mrs B could withdraw the cash as soon as the funds had cleared.

Having thought about everything again, I haven't changed my mind about the appropriate level of compensation. I still think £250 is fair in the circumstances here. I realise this isn't as much as Mrs B would like and I'm sorry to disappoint her. But our awards aren't intended to punish a business and I think this amount reflects the impact of Lloyds' mistake and is in line with our general approach.

Lloyds has already paid £40 to Mrs B. So, I'm directing it to pay her a further £210.

My final decision

For the reasons above, I uphold this complaint. Lloyds Bank PLC should pay further compensation of £210 to Mrs B.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 15 April 2023.

Katy Kidd
Ombudsman