

## **The complaint**

Mr C complains that Lloyds Bank PLC blocked his current account and credit card because of a potential fraud and didn't tell him. He was also forced to travel to his local branch to verify his identity.

## **What happened**

In November 2022 when he tried to use his bank card, he found it had been blocked and his credit card was also blocked. He called Lloyds and was told he needed to go into his local branch and produce photo ID. As this was 10 miles away he asked if he could deal with the matter by giving his security password and he was told he couldn't. When at the branch he spoke to a member of the fraud team over the phone and it was explained that somebody had called Lloyds and attempted to do a money transfer for a substantial sum of money. Lloyds wasn't satisfied it was Mr C (which it wasn't) and put a block on his accounts. It was explained to him that in those circumstances he wouldn't be contacted and it was Lloyds' procedures to block the account and wait for the customer to call, at which stage they would be asked to go into the branch with photo ID.

In its final response letter Lloyds explained that it followed its safeguarding procedures but offered Mr C a £50 payment as a goodwill gesture. Mr C declined the offer.

On referral to the Financial Ombudsman Service our Investigator thought in considering the phone calls that the customer service could have been better. She proposed increasing the compensation to £100 which Lloyds agreed to .

Mr C didn't agree and the matter has been passed to me for further consideration.

## **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 our Investigator advised Mr C, it's not our role to tell banks how they should do security checks/blocks. We can consider if the block/checks were carried out in line with the bank's relevant policy/procedure and terms and conditions of the account. In this case it is Lloyds' policy in respect of what happened here, to block the account and not to tell the customer until they contact it. This was because there was a concern that as the Fraudster appeared to know some of Mr C's personal details, it was possible that his number wasn't secure. I'm aware that a bank will in some cases ask a customer to verify that a particular purchase is theirs, but I think that's quite different from what happened here.

I understand that it was very inconvenient for Mr C to travel to his local branch but again if that's what Lloyds requires to safeguard him as its customer, we can't tell it to use security passwords etc

Having said that I do think that Lloyd's procedures and the reasons for them could have been explained to Mr C in a friendlier way. The person he spoke over the phone to when he was at the branch was rather brusque and abrupt.

Our Investigator proposed that Lloyds increase the compensation offered to £100. I think that is fair and reasonable the circumstances.

### **Putting things right**

Lloyds should pay Mr C £100 compensation.

### **My final decision**

I uphold the complaint in part and require Lloyds Bank PLC to provide the remedy set out under "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 6 September 2023.

Ray Lawley  
**Ombudsman**