

The complaint

M, a limited company complains that Lloyds Bank PLC failed to tell it that it could still use the free internet banking service to make faster payments.

M wants Lloyds to refund most of the fees it has charged.

What happened

M holds business bank accounts with Lloyds. In 2018, Lloyds replaced its LloydsLink online service with Commercial Banking Online (CBO). When using the CBO platform, Lloyds charges £5 for faster payments.

In early 2023, M asked if it could downgrade its account to avoid paying the fees for making faster payments. Lloyds said that M could make the payments for free using its free internet banking service – Online for Business. M was unhappy that Lloyds did not make this clear before.

After M complained, Lloyds agreed that it could have made it clearer that M could use internet banking and CBO at the same time. However, Lloyds thought that it had correctly applied the faster payment charges in line with the CBO terms. Lloyds thought that it would have been reasonable to expect M to query the charges sooner than it did.

Lloyds said there was no issue which should have prevented M from logging into internet banking. Lloyds could not see any attempts to log in to the internet banking system other than one in March 2023 which was successful after M changed its password. Lloyds explained that M's internet banking registration was currently suspended due to a fraud referral.

Our investigator didn't uphold the complaint. He said Lloyds had explained that M had previously used LloydsLink Online which was replaced by a new service – CBO. CBO is an add on service for businesses and offers various features which are not available through internet banking.

Our investigator was satisfied that the terms of CBO state that a faster payment fee will apply. So, M should have been aware of this charge which was also referred to within invoices and statements over the past four years.

Our investigator didn't have evidence to suggest that Lloyds told M that it could no longer use internet banking once it had set up CBO. He thought that as M had been registered for internet banking since 2012, it ought to have known that services such as faster payments could be accessed through internet banking. Our investigator thought that if M had asked Lloyds about the faster payment charges, it would have explained that M could still use free internet banking to make the payments.

M is unhappy with the investigation outcome. It says it needed access to internet banking to make payments without any charge, as it did previously for free with LloydsLink Online. M says Lloyds only gave it access to internet banking in March and that prior to this, it wasn't

able to log in.

M says that Lloyds told it that LloydsLink was to end and that it was being moved to CBO without discussing any other alternatives. M says the option to make payments for free with internet banking wasn't mentioned. M thinks the onus is on Lloyds to make sure it tells customers about the features of each account.

Our investigator went back to M with three recordings of calls it had with Lloyds. He said that when the LloydsLink add on service ended, it was migrated to CBO. Our investigator explained that internet banking remained available to M, as could be seen on Lloyds' website.

Our investigator said that Lloyds had supplied notes which showed that M was signed up for LloydsLink and that it had frequent contact with Lloyds, so could have queried the faster payment charges at any point. He said that Lloyds sent M invoices and statements and that it was M's responsibility to manage and monitor its account.

M replied to say that the calls only confirmed that Lloyds was not aware it was possible to use internet banking and CBO at the same time. M wanted to know whether Lloyds could supply any recordings from around the time it migrated to CBO. Or if Lloyds could supply emails or letters referring to the fact it was possible to use internet banking and CBO at the same time. M said the calls showed that it did not have access to internet banking until early 2023 as the longer of the calls dealt with the process of setting access up.

As M remains unhappy with the investigation outcome, the complaint has come to me to decide.

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 realised that I have summarised this complaint in less detail than the parties and that I have done so using my own words. The rules that govern our service allow me to take this approach. But this does not mean I have not considered everything the parties have supplied to us.

From reading Lloyds' customer notes, it appears that M previously registered for LloydsLink – in part because it wanted to make international payments in currencies other than sterling. Although Lloyds has not supplied copy correspondence or call recordings around the time that M moved to CBO, I consider it likely that M agreed to the switch as LloydsLink was ending. Lloyds continued to supply M with statements and invoices detailing the charges associated with the CBO platform and the terms were available online. So, I don't consider it unreasonable for Lloyds to have applied the relevant charges as outlined in the terms.

Lloyds accepts that it could have made it clearer to M that it could use internet banking alongside CBO. But I don't think this means it should be required to refund M the charges properly applied when it conducted transactions using the CBO platform. I say this as I don't have evidence to suggest that Lloyds told M that it could not use internet banking as well as CBO. In fact, Lloyds has shared a customer contact note from July 2019 which says that M would have been able to make some payments through internet banking but its banking card was damaged. This suggests that M may have been aware in 2019 that it could still make payments via internet banking.

As M is a longstanding customer of Lloyds and had been registered for internet banking for

years, I think it would have been reasonable to expect M to query whether it could continue to use internet banking alongside CBO sooner than it did.

I have listened to the call recordings and don't agree that it shows that M didn't have access to internet banking. Instead, it seems that as M had not logged in to internet banking for several years, it had to reset the log in details. But Lloyds made it clear that M was still registered for internet banking so could have logged in at any point in the previous years.

I take M's point that not everyone at Lloyds was aware it was possible to access both internet banking and the CBO platform but this doesn't change my decision. I say this as I don't have evidence to suggest that Lloyds told M either back in 2018 or over the past few years that it was not possible to use internet banking as well as the CBO platform. So, this is not a case where Lloyds gave M incorrect information which it relied upon and which caused it to incur costs it could otherwise have avoided. I also note that the agent who mistakenly told M that it could use either CBO or internet banking – but not both platforms together – quickly rang M back to correct their error. So, I don't think any loss flowed from the fact that Lloyds briefly gave M the wrong information.

I am sorry to disappoint M, but for the reasons outlined above, I don't uphold this complaint so I am not asking Lloyds to refund any charges or pay compensation.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask M to accept or reject my decision before 28 August 2024.

Gemma Bowen
Ombudsman