

## **The complaint**

Mr L has complained that Lloyds Bank PLC ("Lloyds") won't agree to open a new account for him, after it had taken the decision to close previous accounts.

## **What happened**

Mr L says that he became a victim of financial abuse, wherein he was coerced into allowing an individual who made threats against him, to access his account. Mr L says that he was coerced into following this individual's instructions, resulting in his account being misused.

Mr L says that a number of chargeback claims were filed for transactions carried out on his account. Mr L said he is acutely aware of the inconvenience and difficulties this has caused both Lloyds and himself and says he fully acknowledges that he should have exercised greater vigilance in safeguarding his account.

After his account was closed, Mr L says he applied for further accounts with Lloyds, but his applications were declined.

After Mr L submitted his complaint to this service, one of our investigators assessed the complaint and they didn't find in Mr L's favour.

Mr L disagreed with the investigator's assessment, so the complaint was referred for an ombudsman's 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.

Having reviewed everything, I'm unable to uphold Mr L's complaint. I will explain why.

### *Account closure*

In terms of Lloyds' decision to close Mr L's account, it's generally for banks to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank must keep its existing customers or require it to compensate a customer who has had their account closed. As long as the bank reaches its decisions about that in a legitimate manner, this service won't usually intervene.

In this case, Lloyds said that the reason why the account was closed was because Mr L's account, and presumably how it was being operated, posed a risk to the bank. And Mr L says his account had essentially been taken over by someone who was threatening him and coerced him to make payments against his will. Mr L has also explained that the person also made a number of fraudulent chargeback claims on his account too.

I'm sorry to hear about Mr L's very difficult circumstances. But I think it's fair to say that Lloyds' decision to close the account was reasonable in the circumstances, especially as doing so protected Mr L from being subjected to potential further financial abuse in relation to his accounts held with Lloyds. I say this bearing in mind that Mr L says that the person who'd taken over his account had his personal details and clearly knew his bank account

details too. I'm satisfied here that the bank's decision to stop providing Mr L with banking facilities was reached legitimately and fairly, and it seems that Mr L appreciates why Lloyds made the decision to close the account.

Banks should, however, give reasonable notice before closing an account. Usually, that means 60 days' notice, but it can be less – depending on the circumstances. In this case it seems that Lloyds gave Mr L more than 60 days' notice. Having looked at all the evidence, including how Mr L was operating his account, the terms of the accounts, and relevant regulations, in my view that wasn't unreasonable. So, I can't say the bank has treated Mr L unfairly when it closed his account having provided him with more than 60 days' notice.

### *Account applications declined*

Turning now to what seems to be the main aspect of Mr L's complaint, Mr L has said that after his account was closed, he applied for a number of other accounts. But all of his subsequent applications have been declined. Mr L is unhappy with this and wants Lloyds to provide him with an account.

In the circumstances I can see why Mr L is frustrated that his applications for further accounts have been declined. I recognise that not having a bank account can be very problematic, and so I understand why Mr L is insisting on Lloyds providing him with one.

However, it's for Lloyds to decide whether it will offer, or continue to offer, its services to any person. As both Lloyds and the investigator explained, Lloyds and other banks use the information given by a customer on their application form, together with any information they may hold already, as well as information from external sources - such as credit reference agencies and fraud reference agencies - to help make the decision.

Lloyds is not obliged to share the reason why applications to open new accounts may have been declined. Although in this case, it's clear that the recent decision to close Mr L's account played a part. After all, Lloyds had only recently decided to close Mr L's account as it concluded that there may be a risk to the bank, so I can see why it may not want to immediately open new accounts for him. And based on all the evidence that I have seen, I think Lloyds' decision to decline further applications from Mr L for financial products was fair and reasonable. Because of this, I don't think it would be appropriate for this service to instruct Lloyds to open an account for Mr L in respect of this complaint.

I can see that Mr L says that he is no longer in contact with his abuser and says that if he were given a new account he would operate it correctly. However, as I don't think it would be appropriate for this service to instruct Lloyds to open an account for Mr L, he will need to apply for accounts through the standard procedures that each bank and building society have in place.

I should also point out that each application is based on its merits and what information is available to the financial business at the time each application is made. So I can't reasonably say whether Mr L would be successful if he were to make further applications in the future (either with Lloyds or elsewhere).

Finally, I do appreciate that Mr L not being able to open an account with Lloyds does leave him in a very difficult situation. But as the investigator explained in their assessment, there are other banks that provide basic accounts, so Mr L may want to explore what his options are elsewhere.

I also appreciate that knowing that a fraudster has had access to his personal details will be distressing and concerning for Mr L. Although I don't think that Lloyds can provide further

support about this now that Mr L is no longer a customer, there are agencies that can. In particular, Mr L may find it useful to contact one or more of the following:

- Citizens Advice Bureau: [www.citizensadvice.org.uk](http://www.citizensadvice.org.uk) tel: 0800 144 8848
- Action Fraud: [www.actionfraud.police.uk](http://www.actionfraud.police.uk) tel: 0300 123 2040
- Cifas: [www.cifas.org.uk](http://www.cifas.org.uk)

So in summary, whilst I have a great deal of sympathy for the situation that Mr L found himself in, I'm unable to say that Lloyds was being unfair or unreasonable in deciding to close his existing account, and in declining his additional account applications.

### **My final decision**

Because of the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 9 May 2024.

Thomas White  
**Ombudsman**