

The complaint

Mr T complains about the customer service and misinformation he was given by Lloyds Bank PLC.

What happened

Mr T was the victim of a scam around the middle of 2021. And after he raised a previous complaint with our service, Lloyds agreed to refund some of the money he had lost – which Mr T accepted.

After this previous complaint was settled, Mr T then received a number of text messages and a letter from Lloyds, saying it had logged his fraud case, was speaking with the bank the money was sent to and would be in touch with him again later. Mr T then phoned Lloyds to ask why he was being sent these messages when his complaint had already been settled, but was told he needed to speak to the bank the money was sent to and to our service.

Mr T was unhappy that Lloyds had given him incorrect information and didn't appear to know what was happening with his fraud case, so raised a complaint. Lloyds investigated, apologised for the messages he'd received and offered to pay him £30 compensation. But Mr T wasn't satisfied with Lloyds' response, so referred this complaint to our service.

One of our investigators looked at the complaint. They said that the messages Mr T received would've been confusing, and that Lloyds didn't clearly explain what was going on in its call with him. So they thought Lloyds should increase its offer of compensation to £200. Lloyds agreed to this, but Mr T didn't so the complaint has been passed to me.

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.

Lloyds' actions surrounding the payments Mr T made and whether it should refund the money he lost as a result of the scam were dealt with and settled in the previous complaint with our service. So I haven't considered them here.

I've seen copies of the text messages Mr T received and the letter he was sent. The first text message, sent on 7 February 2022, said Lloyds had logged his fraud case and would be in touch with an update in the next 15 calendar days. The second text message, sent on 22 February 2022, said Lloyds had contacted the bank the money was sent to, was waiting on a response and would be in touch within 20 calendar days. And the letter Mr T was sent on 5 March 2022 said Lloyds was still investigating his claim and would be in touch in the next 20 days.

As Mr T's fraud claim had been settled previously, I can see why these messages and letter would have been confusing for him and provided false hope that the money that hadn't been refunded to him already may now be refunded.

I've also listened to a recording of the call when Mr T phoned Lloyds to ask about the messages. In this call, Lloyds says it has already assessed Mr T's claim, so he needs to speak to either our service or the bank the money was sent to if he wants to take it further. But it doesn't answer the question Mr T is asking, doesn't acknowledge the messages he has received and doesn't seem to understand what has happened.

So I think the customer service Lloyds provided in this call fell below the standard we'd expect. I think it's reasonable that Mr T felt that Lloyds had given him incorrect information and didn't understand what was happening with his case. And I think this call, along with the messages he received, will have caused Mr T distress.

Lloyds has explained that it hadn't previously raised a fraud case or an indemnity with the bank the money was sent to, and so did both of these when issuing the settlement following the previous complaint. And this is what caused the text messages to be sent to Mr T. It's also said that it is entitled to try to recover the money from the bank it was sent to, even though Mr T had said there were no funds left. And while I think these are reasonable explanations for what happened, I still think what happened will have caused Mr T distress – for the reasons I explained above.

I've considered the distress and inconvenience Lloyds' actions caused to Mr T and the impact they had on him, in order to determine the appropriate level of compensation that I think should be paid as a result. And I appreciate that Mr T has said he was given false hope by the messages and is concerned that Lloyds has been irresponsible with the information it gave him and won't be able to protect him if something similar happens again in the future.

But having taken this all into account, I think the total of £200 Lloyds has now offered is fair and reasonable compensation for the impact this all had on Mr T, and is in line with what the Financial Ombudsman Service would recommend in these circumstances.

I understand how Mr T feels about what happened and that he feels a larger amount of compensation should be paid. But I don't think the amount of compensation he has suggested is reasonable or in line with what the Financial Ombudsman Service would usually recommend.

I think the amount of compensation Lloyds has now offered is fair, and so I don't think it would be fair to require it to increase this offer of compensation.

My final decision

I uphold this complaint, and require Lloyds Bank PLC to:

- Pay Mr T a total of £200 compensation, if it has not already done so

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 28 September 2023.

Alan Millward
Ombudsman