

The complaint

Mrs W complains that due to failings on Lloyds Bank PLC's part, she was unable to access a valuation for her stocks and shares ISA online, between late February 2022 and August 2022, when she encashed her ISA.

Mrs W says her ISA fell significantly in value during the period she was unable to access a valuation online. To put matters right she would like Lloyds to compensate her for the fall in the value of her ISA.

Mrs W is represented by Mr W in this matter.

What happened

Mr W says that Mrs W had online access to her stocks and shares ISA until sometime after she sold part of her ISA holdings in February 2022, *'...when for no logical reason we were not allowed access because their IT department started making changes to their systems.'*

Mr W complained to Lloyds as, *'...for the first time since 2004 our investment lost a huge amount in the period during the time we had no access to make changes to the investment'*.

Lloyds upheld Mrs W's complaint in part. It paid Mrs W £50 for the trouble and upset she had experienced as a result of not being able to access her ISA account online. But it said it didn't think it could be held responsible for any fall in the value of Mrs W's ISA. It noted that if Mrs W had wanted an up-to-date valuation, she could have looked up the current fund price online or telephoned to request an up-to-date valuation.

Mr W was not satisfied with Lloyds' response and referred the matter to this service. He said that he and Mrs W had tried to telephone it *'...on many occasions – but we have better things to do than spend hours on the phone waiting for someone to answer and even when the computer (not a person) answers you still have to wait for very long periods and still no one answers. Furthermore phoning is not an efficient way to run/check investments it takes far too long and sometimes you have to make fairly quick decisions'*.

Mr W also said:

...Your 'IT' section removed the facility for checking without notice or offering an alternative method of contact. In fact the message that still appears when trying to check the investment on the old system 'An error has occurred. Please hit your refresh button to retry' indicated that the problem is temporary and the system will be running normally shortly.

Having carefully considered the information available our investigator said he didn't think Lloyds had acted incorrectly or treated Mrs W unfairly. He noted that Lloyds terms and conditions set out that it reserved the right to terminate access to its free online service and website at any time, and to *'...restrict or refuse access to all or any part of this website at any time, and without notice or explanation.'*

He also noted that Lloyds had explained that it was in the process of migrating certain

policies to newer software. As a result, it said that although Mrs W's online access had been suspended, it would be reinstated in the future. He reiterated that if Mrs W had experienced problems accessing Lloyds' online services, she could have contacted it by email or used its online chat service.

Mr W did not accept our investigator's view. He said, in summary that he felt our investigator had not considered that:

UK contract law terms and conditions must be fair and reasonable to both parties and from your description Lloyds terms seem to be very one sided - in addition they do not apply because we were not shown them and have never been sent them.

For the Ombudsman to say that after 19 years of having daily control it is fair and reasonable to take away online access is preposterous.

In addition we did try phoning and using online chat but it was a complete waste of time. We made dozens of calls and only managed to speak to someone a couple of times THAT IS NOT HAVING CONTROL OF YOUR INVESTMENT.

As stated above it was very rare to get an answer to the phone we very often waited more than 30 minutes for it to be answered which is totally unreasonable - and then it was a computer which could not help, the online chat was the same no one could help. You also state that other online options ... were available I can categorically say they were not.

Mr W also reiterated his concern that Mrs W's ISA had fallen in value by over £2,000 during the period they were unable to access Mrs W's ISA valuations online.

I issued my provisional decision on Mrs W's complaint on 7 August 2023. In my provisional decision I said I thought that Lloyds should have done more to assist Mrs W. To put matters right I said it should pay Mrs W a further £100 for the problems she had experienced, in addition to the £50 it had already paid her. I explained my provisional decision as follows.

I said I was mindful that Mr W had raised a number of points in his responses to this service. I said I appreciated that Mr W felt this service should provide a detailed response to every point. I explained that we are an informal dispute resolution service, and I am not required to address every point raised. I instead focussed on what I considered to be the key issues. I said I trusted Mr W would not find this a discourtesy.

I noted it was not in dispute that when Mr W emailed Lloyds, on Mrs W's behalf, in early August 2022, it provided an up-to-date valuation for Mrs W's ISA and confirmed the number of units Mrs W held. She was then able to use the current unit price to calculate the current value of her ISA. Lloyds had paid Mrs W £50 for the inconvenience she experienced when she was unable to view her ISA online.

Having carefully considered this matter, I said I didn't think the £50 Lloyds had paid Mrs W was sufficient to compensate her for the worry and inconvenience this matter had caused her.

I accepted that Lloyds was, of course, free to update its online offering. And I also accepted that this may, from time to time, cause a disruption to the service it is able to offer to its customers. However, I said it was still required to ensure that it treated its customers fairly.

I noted that Mr W had explained that when Mrs W tried to access her ISA account online, she received the message 'An error has occurred. Please hit your refresh button to retry.' I said I didn't think it was unreasonable for Mr and Mrs W to think that this 'indicated that the

problem is temporary and the system will be running normally shortly'. As a result, I noted that Mrs W said she had made a number of unsuccessful attempts to access her online account.

I also noted that Mr W had explained that when they tried to contact Lloyds by telephone '*... we made dozens of calls and only managed to speak to someone a couple of times.*' Again, I said I was not satisfied that the service Mrs W received when she tried to telephone Lloyds was satisfactory.

But I said I was mindful that when Mr W emailed Lloyds on Mrs W's behalf in early August 2022, it responded promptly with a link to current fund prices and then confirmed the number of units held by Mrs W so that she could calculate the current value of her ISA holding. I said it was unfortunate that Mrs W, or Mr W did not email Lloyds sooner than they did about the problems they were having accessing Mrs W's online account.

I said I thought that if Mrs W had received a more accurate or helpful error message when she tried to access her online account, it was likely that she would have emailed Lloyds sooner to request a valuation and confirmation of the number of units she held. I noted that she would then have been able to monitor the value of her holding by calculating the value of her ISA using the current fund price.

I noted that Mr W said he felt Lloyds should compensate Mrs W for the fall in the value of her ISA between February 2022, and the date she encashed her holding in August 2022.

As our investigator had already explained, I said I couldn't reasonably require Lloyds to compensate Mrs W for any fall in the value of her ISA.

In reaching this view, I explained that I had taken into account that Mr W had confirmed that Mrs W understood that the value of her ISA could fall as well as rise and that she had not encashed her ISA when it had fallen in value on previous occasions, despite being aware that the value had fallen.

I said I was also mindful that Mrs W didn't give instructions to encash her ISA until 19 August 2022, despite having received an up-to-date valuation on 4 August 2022.

In view of this I said I could not safely find that Mrs W would have encashed her ISA holding sooner than she did, even if she had been able to access her online account.

Lloyds responded to say it accepted my provisional decision and would make arrangements to pay the additional £100 redress I had recommended to Mrs W.

Mr W responded on Mrs W's behalf to say she did not accept my provisional decision. Mr W made the following points:

- He said Lloyds had incorrectly claimed they could have looked up the current fund price online.
- He reiterated his view that Lloyds was responsible for the fall in value of Mrs W's ISA, '*...because had they not removed access we could have minimised any losses, the whole point of having access is to control the investment. And if Lloyds take access away they have to be responsible for the investment*'.
- he said that '*... for more than 18 years the value had not fallen more than about £200 at any one time and always recovered in a week or so....Lloyds are also fully aware that when the ISA was taken out we were very averse to risk as this was most of our*

savings and we did not want to risk losing the capital. THIS IS CLEARLY STATED ON THE ORIGINAL PAPERWORK. and this is why they recommended this particular investment.'

- Mr W also disputed my view '*... that Mrs W would not have encashed the ISA sooner than she did because of her delay in deciding to close the account - which is utter nonsense the reason for the delay in making a decision to encash the ISA was the awful shock of the loss, and deciding whether to see if it would recover or not - or to cash it in*'.
- Mr W also noted that the error message was '*still there after more than 18 months*'. He said this service should be investigating this delay and why client access had been disrupted while the software updates were being carried out.
- He reiterated his view that the online chat service was '*not of any use at all*'.
- Mr W said he felt '*...the suggestion that we could have used e-mail is fine and whilst they might have replied the information would be worthless because it would be long out of date when we received the reply.*'

Mr W also said he found it a great discourtesy that I had not responded to all the points he had raised in connection with this complaint and said:

If you do not take into account all the information provided you cannot possibly make an informed and unbiased decision. At the outset you requested that we supply all relevant information and we have. But you have totally ignored it.

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 done so, I am not persuaded to change my provisional decision. I'll explain why.

It appears there may be a misunderstanding on Mr W's part regarding whether I considered all the available evidence and arguments when deciding what is fair and reasonable in the circumstances of this complaint. As I set out in my provisional decision, I considered **all** the evidence and arguments provided in reaching my provisional decision. However, as I also explained in my provisional decision, Mr W had raised a number of points in his responses to this service and he indicated that he felt this service should provide a detailed response to every point. I explained that we are an informal dispute resolution service, and I am not required to provide a response on every point raised. I instead focussed on what I considered to be the key issues. I can confirm that in establishing what I considered to be the key issues I have considered all the points Mr W and Lloyds have raised.

Fund price information

It is unclear to me why Mr W has said, in his response to my provisional decision, that it was '*incorrect*' for Lloyds to have said Mrs W could have looked up the fund price online. I can confirm that this information is available online via the Scottish Widows/Lloyds Banking Group Fund Centre, available to the public (<https://digital.feprecisionplus.com/SWFunds?defaultcategorycode=sw>).

Or, if Mrs or Mr W had used a search engine to search for the current fund price for the fund Mrs W was invested in, she would also have been able to find an up-to-date unit price, and

historic price information. As the fund is an open-ended investment company (OEIC) it is priced daily, so Mrs W would not have needed to monitor the fund price throughout the day.

I appreciate that Mr W says the online chat service was '*not of any use at all*', but it is unclear to me why he feels this was the case. Lloyds have confirmed to this service that the online chat it offers is staffed by its help desk employees.

As I remain satisfied that Mrs and Mr W were able to access up-to-date fund price information online, I cannot reasonably uphold Mrs W's complaint that they were unable to minimise any losses because they did not have access to current fund price information.

Access to online account

I note that Mr W says the error message is '*still there after more than 18 months*' and he feels that this service should be investigating the delay in providing access and looking into why client access was disrupted while updates were being carried out.

As I set out in my provisional decision, I am sympathetic to the problems Mrs W experienced when she tried to access her online account. However, this service considers complaints on their individual merits, we do not have the power to order a business to change its processes. Nor do we have the power to take disciplinary action if a business has failed to meet regulatory requirements. If Mr W wishes to pursue this aspect of Mrs W's complaint, he may wish to contact the Financial Conduct Authority (FCA), the industry regulator.

Should Lloyds be required to compensate Mrs W for the fall in the value of her fund holding?

I appreciate that Mr W feels very strongly that Lloyds should compensate Mrs W for the fall in the value of her fund between February 2022 and 19 August 2022, when she instructed Lloyds to encash her holding. As I set out above, having carefully considered this matter, I am satisfied that Mrs W could have monitored the value of her fund holding using up-to-date information available online, if she was struggling to get through to Lloyds by telephone.

I therefore cannot reasonably require Lloyds to compensate Mrs W for the fall in the value of her investment.

I appreciate Mr W feels it is '*utter nonsense*' for me to say that I cannot safely find that Mrs W would have encashed her ISA holding sooner than she did, even if she had been able to access her online account as I noted that Mrs W didn't give instructions to encash her ISA until 19 August 2022, despite having received an up-to-date valuation on 4 August 2022. And I also noted that Mr W had confirmed that Mrs W understood that the value of her ISA could fall as well as rise and that she had not encashed her ISA when it had fallen in value on previous occasions, despite being aware that the value had fallen

I note that in his most recent response to this service Mr W said that '*...the reason for the delay in making a decision to encash the ISA was the awful shock of the loss, and deciding whether to see if it would recover or not - or to cash it in*'. I think Mr W's comment supports my view that I cannot safely find that Mrs W would have sold her holding sooner than she did and may well have waited '*to see if it would recover or not*', even if she had been able to access up-to-date fund price information online.

I am mindful that in his most recent response to this service Mr W has raised a new issue. He has indicated that he has concerns about the suitability of the fund Mrs W held. He said that '*...Lloyds are also fully aware that when the ISA was taken out we were very averse to risk as this was most of our savings and we did not want to risk losing the capital. THIS IS CLEARLY STATED ON THE ORIGINAL PAPERWORK. and this is why they recommended*

this particular investment.'

If Mr W feels the advice to invest in the fund recommended was unsuitable for Mrs W's attitude to investment risk, he will need to raise this issue with Lloyds in the first instance and give it the opportunity to respond to his concerns. If Mrs W is unhappy with Lloyds' response on this issue she is, of course, free to then refer the matter to this service.

I do understand that this is not the decision Mrs W was hoping for but having very carefully considered all that has been said and provided I cannot reasonably require Lloyds to compensate Mrs W for the fall in the value of her fund when she was not able to access her online account. As I have explained above, I am satisfied that Mrs W could have obtained up-to-date fund price information online if she was unable to reach Lloyds by telephone or by using its online chat facility.

As I set out in my provisional decision, I remain of the view that the service Mrs W received from Lloyds when she was unable to access her online account was below the standard she could reasonably have expected. I am satisfied that the £150 compensation, in total, that I set out in my provisional decision is fair and reasonable in the circumstances of this complaint.

Putting things right

To put matters right Lloyds Bank PLC should pay Mrs W a further £100, in addition to the £50 it has already paid her, for the worry and inconvenience its poor service caused.

My final decision

My decision is that I uphold this complaint in part. To put matters right Lloyds Bank PLC should pay the redress set out above, if it has not already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W and Mr W to accept or reject my decision before 10 October 2023.

Suzannah Stuart
Ombudsman