

The complaint

Mr B complains that Lloyds Bank PLC (“Lloyds”) failed to refund transactions he says he didn’t make from his account and that it failed to provide support after informing it of his gambling concerns.

What happened

The details of this complaint are well known to both parties, so I won’t repeat everything again here. Instead, I will provide a brief summary and will focus on giving the reasons for my decision.

Mr B disputed a number of transactions made from his Lloyds account on 9 and 11 January 2023, totalling £175.94 that he says he didn’t authorise:

Date	Payment details	Amount (£)	Lloyds agreed to refund?
09/01/2023	www.usallseason.com	32.79	Yes
09/01/2023	Transaction fee	0.98	Yes
09/01/2023	Transaction fee	0.50	Yes
11/01/2023	Lottoland	26.00	Yes
11/01/2023	Lottoland	14.00	Yes
11/01/2023	Lottoland	10.00	Yes
11/01/2023	Lottoland	16.00	Yes
11/01/2023	C-Rewards	10.00	No
11/01/2023	C-Rewards	30.00	No
11/01/2023	Debitcard Payment	0.50	Yes
11/01/2023	Debitcard Payment	0.50	Yes
11/01/2023	Debitcard Payment	16.82	Yes
11/01/2023	Debitcard Payment	0.50	Yes
11/01/2023	Debitcard Payment	0.50	Yes
11/01/2023	Debitcard Payment	16.85	Yes

	Total	175.94	
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The first transaction of £32.79 Mr B disputed was refunded to his account on 24 January 2023, but he said he didn't have access to these funds as the subsequent disputed debit card transactions made from his account used up this credit. Lloyds subsequently offered to refund this amount again to settle the matter.

Lloyds also offered to refund the debit card payments of £16.82 and £16.85 (with associated transactions fees). These were shown to have been authorised on 11 November 2022 using the correct CVV number, but there was a delay in the merchant requesting the payment, which was why it wasn't debited until January 2023. However, it nonetheless offered to refund them as compensation for failing to previously trace the payments. On top of this, Lloyds also offered a further amount of £80 compensation in recognition of the distress and inconvenience caused by its handling of the matter.

In terms of the remaining disputed debit card payments, Lloyds said it wouldn't be refunding these and provided evidence to show that the payments had been made to merchants that Mr B had paid before.

After Mr B disputed the transactions, Lloyds also took the decision to close his account, giving 60 days' notice, but Mr B says he wasn't able to access any of his money during this period. He also says it failed to provide him with adequate support when he informed it of problems he was having with gambling.

Our investigator upheld Mr B's complaint. She said that Lloyds hadn't provided sufficient evidence to show how four of the disputed payments made to the merchant "Lottoland" had been authorised. So, on top of Lloyds original offer of £148.46 (including its £80 offer of compensation) our investigator said that Lloyds should also refund the four disputed payments to this merchant totalling £66.

In terms of Mr B informing Lloyds of his concerns about gambling. Lloyds said it hadn't been made aware of any gambling issues, and our investigator also couldn't find any evidence of Mr B having raised this with the bank. So, she didn't think it had failed to provide adequate support.

However, Lloyds conceded that Mr B had complained about this on 16 January 2023, which it failed to investigate at the time and instead treated his complaint as one relating to his account closure, which wasn't what Mr B was ultimately complaining about. As a result, it offered £150 compensation in recognition of the distress and inconvenience caused by its handling of the matter, which our investigator thought was fair.

Our investigator also thought that Lloyds could have handled things better with regards to the closure of Mr B's account and recommended it award a further £150 to recognise the likely distress and inconvenience caused.

Lloyds agreed to pay all of the redress as set out above in order to settle the complaint, but Mr B disagreed as he felt that further compensation should be awarded. As he didn't agree, the matter has been escalated to me to determine.

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.

Mr B has put forward a considerable number of submissions in relation to his complaint, which I'd like to reassure him I have read in their entirety. There are many points that he has raised in his complaint about Lloyds, and I have addressed what I consider to be the crux of his complaint.

Having reviewed all the evidence, I agree with the conclusions and settlement proposed by the investigator, which I'm satisfied is fair for the reasons set out below:

Disputed transactions

Lloyds has since offered to refund the disputed transactions of £32.79, £16.82 and £16.85 along with any associated transaction fees. Following further recent involvement of our investigator, Lloyds has also agreed to refund all the disputed payments made to Lottoland on 11 January 2023, totalling £66. So, given Lloyds has either refunded or agreed to refund these payments, I don't think it's necessary to comment on them any further. I will instead focus on those that Lloyds has chosen not to refund.

The outstanding disputed payments Lloyds hasn't agreed to refund consist of two online card transactions made to C-Rewards on 11 January 2023 for £10 and £30. Mr B says his account was blocked at the time and so it couldn't have been him who made the transactions. Lloyds has explained that the payments were originally authorised on 9 January 2023, and the sale was then completed on 10 January 2023. However, his debit card was subsequently blocked on 10 January 2023, which meant that Lloyds had to put the payments through manually on 11 January 2023.

Lloyds has shown that these payments were authenticated by the payer inputting the CVV code, which has shown as a match. I haven't been provided with any plausible explanation to demonstrate how anyone other than Mr B would have known his CVV number. So, on balance, I'm satisfied it's more likely than not that these payments were authorised by Mr B, and I don't think Lloyds has acted unfairly by refusing to refund them.

In terms of compensation for the handling of Mr B's payment dispute, Lloyds offered £80. I accept that Lloyds' handling of the matter could have been better. He was given incorrect information, such as being told he couldn't raise a fraud claim because his account was due to be closed. But while I appreciate this would have been frustrating, I'm satisfied the amount of compensation offered for this is a fair and reasonable reflection of the distress and inconvenience likely caused in these circumstances.

Account closure

As part of Mr B's complaint, I've also considered Lloyds' decision to close his bank account and whether it has acted fairly and reasonably in this regard.

Having considered the evidence, I'm satisfied that Lloyds has fairly exercised its discretion to close Mr B's account, but I'm not satisfied with the way in which it has handled the closure. Lloyds says the decision to close the account was made on 10 January 2023, giving Mr B 60 days' notice, where the account was eventually closed on 20 March 2023. However, I can see there was another letter sent to Mr B on 17 March 2023 saying he had 60 days' notice from this point, which must have been quite confusing for Mr B.

Also, despite Lloyds saying it gave Mr B 60 days' notice, it did not allow him access to his funds and said it was only going to pay from any pre-existing bank giro credits paid into the account. Overall, I'm not persuaded Lloyds has acted fairly in these circumstances; it

should've at least allowed him access to the funds in his account, and it also caused confusion about how much notice Mr B had and when his account was to be closed.

In light of Lloyds handling of Mr B's account closure, our investigator recommended a further award of £150, which Lloyds has agreed to pay. I appreciate that Mr B may not consider this to be commensurate to the experience he has had. And I'd like to assure him that I have considered everything he has said about the impact this had on him at the time. But overall, taking into account the amount of money that was left in the account, I'm satisfied that £150 represents fair compensation for the distress and inconvenience likely caused, so I won't be making any further award.

Gambling concerns

Mr B has also raised concerns about Lloyds as he said it failed to provide adequate support when he informed it of problems he was having with gambling

I can see that Mr B informed Lloyds of his disabilities in January 2019. But I haven't seen any evidence to demonstrate that he informed Lloyds of any gambling issues, so it therefore cannot be said that it failed to provide him with adequate support. I appreciate that his account was used for gambling. But I'm not persuaded there would have been any cause for concern for Lloyds in this regard, as the transactions do not indicate signs of a gambling problem or using credit to fund the transactions, for example.

However, Lloyds have conceded that it failed to address Mr B's concerns about this when he originally raised it with them as a complaint on 16 January 2023. I can see that on this date he told Lloyds that he believed they had failed to safeguard him from gambling, but it failed to look into these concerns until our service became involved. I appreciate this would have been frustrating for Mr B and would have made him feel that he wasn't being heard. However, Lloyds have offered £150 compensation, which I also think is a fair reflection of the distress and inconvenience likely to have been caused by its poor handling of the matter.

In summary, I appreciate that Mr B feels strongly about his complaint and that he has been treated unfairly. But while I agree that Lloyds could have handled things better, I'm satisfied that the settlement proposal it has agreed to is fair and reasonable in all the circumstances in order to put things right.

My final decision

For the reasons given above, I uphold this complaint and direct Lloyds Bank PLC to pay total redress of £514.46, being made up of the following amounts:

- £134.46 in refunded transactions; and
- £380 compensation in recognition of the distress and inconvenience caused to Mr B.

Mr B should note that if he accepts my decision, it will be legally binding on all parties, and he probably then wouldn't be able to take legal action over this matter for additional compensation. If, however, he rejects the decision, although his legal rights will remain intact, it'll purely be a matter between Mr B and Lloyds as to whether the £514.46 settlement remains open for acceptance. Strictly speaking, an offer is not binding on the offeror after rejection of it has been communicated.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 13 October 2023.

Jack Ferris
Ombudsman