

## **The complaint**

Mr B has complained that Lloyds Bank PLC ("Lloyds") closed his account without explaining why it did so.

## **What happened**

Lloyds sent Mr B a letter on 27 June 2023 to say that it had carried out a risk assessment and it had highlighted concerns about Mr B's account. Lloyds said that it had decided to close Mr B's accounts, and that they would close within 60 days of the letter. It also explained that a block had been placed on the account so that no further transactions could take place on the account. Lloyds explained that Mr B will need to make alternative banking arrangements and explained that he would need to attend a Lloyds branch with ID to withdraw any credit balance from any of his accounts.

Unhappy with this, Mr B complained to Lloyds about its decision to close his account. Mr B wanted to understand the reasons why Lloyds chose to close his account.

Lloyds issued its final response letter on 6 July 2023 and did not uphold Mr B's complaint.

After Mr B referred his complaint to this service, one of our investigators assessed the complaint and they did not uphold the complaint. They concluded that Lloyds had acted within the terms and conditions of the account in deciding to close Mr B's account.

Mr B disagreed with the investigator's findings, so the matter 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 don't uphold the complaint. I will explain why.

Lloyds has important legal and regulatory obligations it must meet when providing accounts to customers. These obligations are ongoing, so do not only pertain to when an account is opened. To comply with its obligations Lloyds may need to review an account and/or restrict its customer's access. The terms and conditions of Mr B's accounts also permit Lloyds to review an account.

A bank is also generally entitled to close an account - providing it does so in line with the terms and conditions of the account. Each financial institution has its own criteria and risk assessment for deciding whether to continue providing accounts and providing an account to a customer is a commercial decision that a financial institution is entitled to take. That's because it has the commercial freedom to decide who it wants as a customer. And unless there's a good reason to do so, this service won't usually say that a bank must keep a customer.

In this instance, the terms of B's accounts say that, in certain instances Lloyds can close the accounts with immediate notice and in other circumstances, by providing 60 days' notice. And it doesn't have to provide a reason to customers for doing so.

Having reviewed everything, I think that Lloyds's was acting in accordance with the account terms and conditions when it decided to place a block on Mr B's account and went on to close the account 60 days later.

I understand Mr B wants Lloyds to explain the reasons why it applied the blocks to his accounts.

But Lloyds doesn't disclose to its customers what triggers a review of their accounts. And it's under no obligation to tell Mr B the reasons behind the account review and block, as much as he'd like to know. So, I can't say it's done anything wrong by not giving Mr B this information. And it wouldn't be appropriate for me to require it do so.

However, Lloyds needs to provide information to this service so we can fairly decide a complaint. Based on the information that Lloyds has provided, I think that its decision to block and then close Mr B's account following its risk assessment was fair in the circumstances.

Therefore, although I appreciate that it will be frustrating for Mr B to not know the reasons why Lloyds closed his account, it is the case that I don't think it has acted unfairly or unreasonably. I also don't think it has done anything wrong by not disclosing the reasons why it closed his account.

### **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 B to accept or reject my decision before 11 March 2024.

Thomas White  
**Ombudsman**