

The complaint

Mr E complains Lloyds Bank PLC stopped his card working.

What happened

Mr E's Lloyds' card was due to expire at the end of January 2023 and he says he had problems using the card during November and December 2022.

Mr E was sent a new card and he couldn't get this to work in shops or online. Mr E contacted Lloyds and it said the problem was fixed but Mr E continued to have problems with the card.

In February 2023 the card problems stopped, but Mr E had already complained to Lloyds. Mr E's disabled and says the lack of a card practically imprisoned him at home. Mr E felt his life was effectively put at risk as he ran out of food and couldn't use his card.

Lloyds sent three final responses. Lloyds told Mr E he had two active cards, so he needed to remove one from any online retailers and add the new one. Lloyds then told Mr E everything was working, and his old cards were cancelled.

Lloyds then said it was aware of some processing errors from online retailers and payments might show as declined but this wasn't Lloyds' fault. Lloyds said Mr E should delete all cards online and add the new one he'd been sent.

In total, Lloyds paid Mr E £300 to compensate him for the issues he'd had.

Unhappy with this response Mr E brought his complaint to this service. An investigator looked into things and thought Mr E's complaint should be upheld.

The investigator felt Mr E's evidence showed he'd had issues with his card, over Christmas, but Lloyds couldn't explain why. The investigator thought Lloyds should pay Mr E a further £200 to compensate for the issues with his card.

Lloyds agreed but Mr E disagreed. Mr E said he'd had significant costs because his card wasn't working. Mr E had used professional people to help bring his complaint and paid out £200 for fuel to take him out.

Mr E says he could have required 24 hour care, and was less reliable and this affected his self worth. Mr E is still nervous using his card and the lack of a working card affected his relationships with people and others are now out of pocket because of what happened.

Mr E asked for an ombudsman to decide things.

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.

I've looked very carefully at what Mr E and Lloyds have sent it. I think there were some problems with Mr E's card, but I'm not absolutely persuaded these were all Lloyds' fault.

Mr E says some online transactions showed as paid then declined. And I've seen the messages Mr E was sent about these declined transactions.

But I think it's more likely this was an error with the online retailers. Lloyds appears to have authorised the payments Mr E made, and told the retailers this. It then seems the online retailers have cancelled the payments.

This would explain why the payments showed on Mr E's account then dropped off. Once a retailer authorises a payment, Lloyds will put the money aside.

But Lloyds can't cancel these payments, they've already been authorised. However, the retailers can cancel these authorised payments, and I think it's more likely this is what happened.

I don't think I can fairly say Mr E's online purchases weren't possible because of something Lloyds did wrong.

I've looked at Mr E's statements and it seems his cards were working in shops. I've also looked at the information Lloyds has sent in about authorised and declined payments, and I can't see any declined payments in November or December 2022.

I can see a declined transaction in January 2023, but this appears to be the only payment Lloyds declined.

I think Mr E had some problems with his card, and this could be related to the new card being produced in November 2022. But I don't think this stopped all payments being made by card, I can see Mr E was able to use the card.

Mr E's said he was using the card to buy petrol for people taking him out, as he couldn't use taxis as his card didn't work. But it seems his card was working. I accept it might not always have worked, but it was clearly working at times, and at times Mr E needed it to.

A lot of online retailers are able to find new card numbers as they're produced, under an agreement with the card schemes. It's possible Mr E's new card, which he didn't have, was added to some online retailer's platforms.

This could have caused some issues with Mr E's ability to use his card. But, again, I don't feel I can hold Lloyds responsible for the actions of the retailers.

But I don't think Lloyds did a good job explaining any of this to Mr E. I think sending out three final responses will have been confusing.

And it seems Lloyds was upholding Mr E's complaints on the basis of what he'd said, rather than getting some clear evidence of declined transactions and trying to resolve things.

I think this lack of clarity won't have helped Mr E and would likely have made him more reluctant to use his card. And Mr E is a vulnerable adult, so I think Lloyds should have taken more time to investigate and explain things to Mr E.

Mr E's mentioned the professional fees of people helping him bring his complaint. This

service is free for consumers to use, so I wouldn't look to cover professional fees someone's paid out to bring their complaint to this service.

Mr E's also mentioned potential losses had things been worse. But I can't compensate for hypothetical losses. I'm glad Mr E didn't need further care because of what happened, but I can't compensate him for the chance he might have needed it.

Mr E's said people have paid out for petrol. But this was instead of Mr E using taxis, which would have also cost money. I'm not persuaded Mr E lost out here.

And Mr E's mentioned the effect this had on him personally. I have no doubt this episode affected Mr E, and in the ways he's said. But I'm not persuaded this was all Lloyds' fault, some of the issues appear to be because of the online retailers.

So it wouldn't be fair for me to hold Lloyds entirely liable for what happened. And I don't think the effect this had on Mr E was foreseeable by Lloyds. Lloyds sent Mr E a replacement card, as it needed to, and I don't think it could have known the effect it would have.

I can't punish Lloyds, I can only look to fairly compensate Mr E for the distress and inconvenience he's been caused. And having done this, and considering Mr E's specific circumstances, I think a total payment of £500 is fair.

My final decision

My final decision is I uphold this complaint and Lloyds Bank PLC should pay Mr E a further £200 to bring his total compensation payment up to £500.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 14 March 2024.

Chris Russ
Ombudsman