

The complaint

Mr A says Lloyds Bank PLC unfairly closed his credit card account and without good reason.

What happened

Mr A held a credit card account with Lloyds. In May 2023, Lloyds wrote to him to say it would be closing the account in 65 days' time. It subsequently closed the account.

After Mr A complained, Lloyds confirmed its decision was made in line with the account agreement between them. Lloyds added that, contrary to what Mr A believed, it hadn't received a data subject access request (DSAR) from him. It asked him to make a request if he still wished to do so.

Unhappy with Lloyds' response, Mr A complained to this service. He said he hadn't breached the account terms and had done nothing wrong. He wanted Lloyds to reverse its decision and reinstate the account. Mr A also said Lloyds had ignored his DSAR request.

One of our investigators looked into the complaint but didn't recommend that it should be upheld. They believed Lloyds had acted fairly given the account terms and conditions. They didn't think Lloyds had done anything wrong regarding the DSAR either.

As Mr A was unhappy with the investigator's findings, the complaint was passed to me to review afresh.

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 don't uphold the complaint. I'll explain why.

I recognise how frustrating it must have been for Mr A to discover that Lloyds would be closing down his account without his agreement. He clearly feels he's done nothing wrong, and that Lloyds' actions simply aren't justified.

On the other hand I'm mindful that, just as a customer can close an account with a bank without reason, there isn't anything to stop a bank from doing likewise. As long as that bank does so fairly and in accordance with its terms and conditions.

I've reviewed the applicable credit card terms and conditions and they explain Lloyds will write to the consumer at least two months before closing their account (unless there are reasons for it to close immediately). They don't suggest that Lloyds must provide a reason every time an account is closed. From experience, such terms are commonly found in credit card agreements, and I don't think this is inherently unfair or unreasonable.

Based on the available information, I'm satisfied Lloyds provided Mr A with slightly more than two months' notice before closing the account. As such, I don't think Lloyds treated Mr A unfairly in closing the account as it did.

In terms of Mr A's point about the DSAR, Lloyds said in its final response of September 2023 that no such request had been received. And I haven't seen evidence from Mr A that would indicate otherwise despite the screen shots he sent us in November 2023 from the previous month. That being the case, I can't fairly say that Lloyds has done anything wrong here.

My final decision

For the reasons given, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 16 May 2024.

Nimish Patel
Ombudsman