

## **The complaint**

Mrs W complains that Lloyds Bank PLC have not sent the required details to a third party.

## **What happened**

Mrs W says she sent £26,600 from her Lloyds account to a third party company, but Lloyds did not include all of the relevant details. When Mrs W called the recipient to confirm the payment, she was initially told the payment was not received, but then they later confirmed they received a payment of £26,600, but they had no idea who it was from. Mrs W was advised by the recipient to contact Lloyds for them to send a letter, confirming Mrs W sent the funds. Mrs W says Lloyds told her they do not send letters, but they could send a statement. As a result of what happened, the price of the shares she wanted to buy had risen, which would cost her more to purchase the same number of shares. Mrs W made a complaint to Lloyds.

Lloyds did not uphold Mrs W's complaint, so she brought it to our service. Our investigator did not uphold Mrs W's complaint. He said that Lloyds used the existing payee details that she requested that they use, and that during the call she reconfirmed the reference details, and she stated that the payment has been fine previously, so he couldn't agree that it is the fault of Lloyds that the third party did not apply Mrs W's funds to her account straight away. Our investigator said that Lloyds carried out her transfer as instructed, and most notably, she did not explicitly inform Lloyds that her name needed to be included as part of the reference.

Mrs W asked for an ombudsman to review her complaint. She made a number of points. In summary, she said she previously had no issues with transfers to the third party company, and she said she had previously transferred £130,000 which was successful. She said the third party would not be able to allocate the £26,600 based on the information they received from Lloyds otherwise they would be laundering money. She sent us a newspaper article highlighting anti money laundering rules.

## **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.

Mrs W has made a number of points to this service, and I've considered and read everything she's said and sent us. But, in line with this service's role as a quick and informal body I'll be focusing on the crux of her complaint in deciding what's fair and reasonable here.

I must make it clear to Mrs W that I can only look into the actions of Lloyds as part of this complaint she originally brought to our service, and not the third party company who requested certain information from Mrs W. This is because this complaint has been brought against Lloyds only here. While Mrs W has sent us a newspaper article about anti money laundering rules, the events that are described in the article are not exactly the same as Mrs W's events. Instead I will be investigating if Lloyds have made an error with the payment she made to the third party.

Lloyds would be responsible for sending the money to the third party based on the instructions Mrs W gave them. It would be Mrs W's responsibility if she was in any doubt with what information they required, to check with the third party company first before she made the payment. It would not be proportionate for Lloyds staff to know exactly what information each company requires as part of a payment, as different companies will require different information and will have their own processes in place even regarding how they implement anti money laundering rules.

I've listened to the call Mrs W had with Lloyds on 23 January 2023. Mrs W asks the call handler to send a payment to the third party company and she says *"it's all set up"*. The call handler locates the bill payment already set up and Mrs W gives her the reference and tells the call handler how the reference ends, which the call handler agrees. The call handler says it says, *"share beside that"* and Mrs W says *"right"*. Mrs W asks her to send £26,600. The call handler explains that is above her limit to transfer and Mrs W asks to be put through to the team who could process this for her. Mrs W is transferred to the high value team.

Mrs W reiterates she wants to send £26,600 to the third party company and she tells the call handler the numbers of the reference which the call handler confirms they match up on the bill payment. He reads a script to Mrs W. He also asks Mrs W *"and you've paid those details before, and it's got there absolutely fine?"* and Mrs W replies *"yeah"*. The call handler asks Mrs W if she would like to double check anything and she says *"no that's fine because you've got the right reference number on"*. The call handler processes the payment.

So I wouldn't have expected the call handler to have done anything differently here. Mrs W confirmed that she had used those details previously and the funds got there absolutely fine. Mrs W reiterated the reference on more than one occasion and confirmed Lloyds *"got the right reference number on"*. It would be out of Lloyds control how these details are displayed on the third party's system (for example, Mrs W made the payment over the phone using a bill payment, but the information the third party provided to Mrs W on their system displays the payment being made as a *"Counter Deposit"*).

As Mrs W said she had used those details before and confirmed the payment reached the third party absolutely fine, and she told us she's had no problems with any transfers previously to the third party, I looked at her bank statements to see if she had made a payment to the third party via this method (a bill payment) previously.

I can confirm that Mrs W's bank statements show her making a bill payment to the third party company on 7 December 2021 (for £50,000) and 13 December 2022 (for £20,050). This shows the same numbers (the third party sort code and account number) on the statement as the £26,600 payment she made on 23 January 2023. So as Mrs W said she never had any problems before this, it appears the third party could locate her account in the previous month (13 December 2022) when Lloyds used the same payment details, with her £20,050 payment to the third party without them requesting a bank statement from her, possibly as this had her client reference number as the reference (which her January 2023 payment also included).

I've considered what Mrs W has said about the £130,000 payment she had previously sent to the third party company. I've looked at her statement and I've noticed this has a different payment type reference to her bill payments she made in December 2021, December 2022 and January 2023. The payment type for the £130,000 payment shows as *"FPO"* and the bill payments are shown as *"PAY"*. So I asked Lloyds for the reason the payment types were different even though Mrs W was paying the same company.

Lloyds explained that the bill payment is a faster payment, where Mrs W would set up a recipient as a payee entering their sort code, account number and reference number, and

then this would already be prepopulated when she wanted to pay them again, and she would then just enter the amount of money to be sent to them. The difference between this and the faster payment out is that Lloyds have said that Mrs W (or someone she has instructed, such as a call handler) has manually keyed in the account number, sort code and reference number. So this is why the payments could show differently on her bank statements, although I do note that the £130,000 payment shows the same reference as the 23 January 2023 payment, and this doesn't display her name either on the reference.

Ultimately, Lloyds processed the payment Mrs W asked them to make on 23 January 2023 and used the reference number that she quoted to them on the phone which was already prepopulated from when she had set up the bill payment originally. It appears she had used this method in the previous month to make a payment to the third party for £20,050 without any issues, so I'm not persuaded that Lloyds made an error with the payment Mrs W instructed them to make on 23 January 2023. So it follows I don't require Lloyds to do anything further.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 22 February 2024.

Gregory Sloanes  
**Ombudsman**