

The complaint

Miss H complains about how Lloyds Bank PLC (“Lloyds”) dealt with her chargeback request. She also complains that Lloyds ignored her requests not to contact her by e-mail and that she hasn’t been able to access information in their secure portal.

What happened

Miss H ordered an item from a third party and paid £17.95 for this using her Lloyds debit card. Miss H subsequently wanted to return the item as she said the product was faulty. Lloyds initiated a chargeback for this transaction, but this was defended by the merchant. Miss H subsequently discovered that Lloyds had raised the claim incorrectly on the basis that she hadn’t received the item.

Miss H complained to Lloyds about what had happened and mentioned they had asked her for information about her claim when she had already sent this to them. Miss H also complained that Lloyds had incorrectly told her that the merchant had refunded her when this had been for a different transaction. She said Lloyds kept ignoring her requests to send correspondence to her by post as she had a significant backlog of e-mails and so couldn’t always see any e-mails they sent to her. Miss H also said she had told Lloyds several times that their secure portal wasn’t working which meant she couldn’t see information they placed into this about her account. And Miss H mentioned that Lloyds had incorrectly told her when certain departments within their business opened and closed.

Lloyds sent Miss H two responses to her complaint. Their first letter of 2 May 2023 set out that they would refund the £17.95 for the item Miss H had ordered. Lloyds also offered £30 to apologise for their overall service but mentioned they couldn’t avoid sending her e-mails and suggested that she try opening the e-mail portal on a different device or browser.

Lloyds then sent Miss H a letter on 15 May 2023 offering her a further £50 for the problems she had opening their e-mail portal and in contacting them after 8pm. Lloyds said they would raise a fault for both issues and would advise Miss H about this in due course.

Miss H wasn’t happy with Lloyds’ responses and so referred her complaint to us. Our investigator felt that Lloyds’ offers of compensation were fair. However, Miss H didn’t agree and so her complaint has been passed to me for a 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.

In respect of the chargeback, Lloyds admits they didn’t handle this correctly. I agree with this as Lloyds raised this incorrectly on the basis that Miss H didn’t receive the item. Lloyds also accepts that they asked Miss H for information when she had already sent this to them, and that they incorrectly assumed that the merchant had refunded her for the item when this was

for a separate transaction.

I note though that Lloyds has offered to credit the cost of the item back to Miss H's account and to pay her £30 for the inconvenience she was caused. I think that's a fair resolution to this part of the dispute. I say this because there was no guarantee that the merchant wouldn't have continued to have defended the chargeback had Lloyds raised this using the correct reason code. And the chargeback system works in such a way that Lloyds isn't responsible for the merits of Miss H's complaint on whether the item was faulty.

There seems to have been some confusion as to whether Lloyds has credited Miss H's account as she has pointed out that they re-debited this amount in June 2023. For the avoidance of doubt, Lloyds should stand by their offer to credit Miss H's account with £17.95 and should clearly show Miss H that this has happened if they believe they've already done this. Lloyds should therefore appropriately consider Miss H's point about the transaction being re-debited in June 2023.

In respect of the issues with the online portal, I'm afraid I've not seen enough evidence that there was a fault with this. I realise Lloyds agreed to raise a fault, but it seems from what Miss H has said that Lloyds have since told her there isn't anything they can do about her lack of access. Lloyds hasn't, from what I've seen, accepted that the fault is at their end, and I've not seen enough to persuade me otherwise. I would just add here though that Lloyds should continue to ensure that the fault isn't at their end if Miss H is still unable to access the portal and offer practical alternatives so that she can access any information she might not be able to see.

I've considered Miss H's comments about Lloyds ignoring her requests for them not to e-mail her. I won't though be instructing Lloyds to only send her letters when the issue seems to be with the backlog of e-mails Miss H has. Miss H's request is for something she would prefer to happen and while Lloyds may wish to do what Miss H has requested, that is a matter for Lloyds at this point.

I've also considered the part of Miss H's complaint about Lloyds incorrectly telling her when certain departments open and close. Whilst I can understand that this would be frustrating for Miss H, I've haven't seen that this has caused any financial detriment to her. I note Lloyds agreed to raise a fault and, although I'm unaware of the outcome of this, Lloyds' offer of £50 was put forward partly on the basis that Miss H had found it difficult to contact the correct departments. I find this to be fair.

Overall, I find that Lloyds' offers to refund Miss H the £17.95 cost of the item she ordered, and to pay her a total of £80 for the issues she has experienced (for which Lloyds is at fault) to be reasonable.

My final decision

Lloyds Bank PLC has already made an offer to pay Miss H £17.95 and £80 to settle the complaint and I think this offer is fair in all the circumstances.

So, my decision is that Lloyds Bank PLC should pay this to Miss H if they haven't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept

or reject my decision before 15 March 2024.

Daniel Picken
Ombudsman