

The complaint

Mr S and Mrs S complain Lloyds Bank plc (Lloyds) failed to respond to numerous letters regarding a complaint and misplaced one of those letters by delivering it to another bank causing a data breach

What happened

Mr S and Mrs S says following a complaint it raised with Lloyds in February 2023 concerning it returning cheques unpaid because of signature verification issues, they sent various letters and emails to Lloyds between February 2023 and May 2023 for further clarification on the matter, which were unanswered. Mr S says one of those letters dated 6 April 2023 with various enclosures, was hand delivered to a local Lloyds branch. Mr S says in May 2023 he received unexpected letters from another competitor bank (Bank B) acknowledging his complaint letter dated 6 April 2023.

Mr S says it would seem, as the letter dated 6 April 2023 was hand delivered to Lloyds it is their actions that have resulted in the letter being delivered to another bank which breaches his data and creates security concerns for him. Mr S says Lloyds haven't accepted any responsibility for the letter dated 6 April 2023 being delivered to Bank B nor has it responded to the various communications he sent.

Mr S would like Lloyds to provide a fuller explanation of how the hand delivered letter dated April 2023 was received by Bank B and why it failed to respond to the various letters he sent them. Mr S and Mrs S says the matter has caused them both stress and considerable inconvenience in dealing with this matter.

Lloyds says it accepts it could have provided Mr S and Mrs S with a better service and in addition to the £100 it has paid for the issue concerning the unpaid cheques, it will also pay a further £30 to recognise this. Lloyds didn't agree that it was responsible for the letter dated 6 April 2023 being delivered to Bank B and that breach was by another party.

Mr S and Mrs S weren't happy with Lloyds' response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator, while not disputing the letter dated 6 April 2023 was delivered to Bank B, didn't feel there was any evidence to suggest that Lloyds took the hand delivered letter and in turn handed that to Bank B, nor was it likely any member of its staff would do that. The investigator also agreed it was unlikely Mrs S would have handed this to Bank B as she is a frequent visitor to the Lloyds branch.

The investigator says it was likely the mistake occurred when the letter was being sent onwards by Lloyds to its complaint department, and the postal service in all likelihood delivered it to Bank B. The investigator felt given Lloyds had offered a total of £130 for the issues Mr S and Mrs S had faced, that was fair in the circumstances.

Mr S and Mrs S didn't agree with the investigator's view and asked for the matter to be referred to an ombudsman for a final 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 done so, I won't be upholding this complaint and I will explain how I have come to my decision.

I can understand it would have been upsetting and frustrating for Mr S and Mrs S, having written on several occasions to Lloyds over an ongoing issue, not to receive a response from them, and then to receive an acknowledgement of a hand delivered letter and its enclosures from an entirely different bank.

The first thing to say is it's not the role of this service to scrutinise Lloyds' complaints process or to tell Lloyds how it should deal with complaints more widely, my role is to look at what's fair and reasonable in the individual circumstances of a complaint. And so here, I will look at whether or not Lloyds provided adequate customer service to Mr S and Mrs S and if it was responsible for the hand delivered letter to one of its local branches dated 6 April 2023, being received by Bank B and if that was a breaching Mr S and Mrs S's data.

Both parties have provided comprehensive information about the course of events and while that has proved useful, I won't be commenting on every point made as I don't feel it's necessary to come to a full and impartial decision here – that's not to say I haven't considered everything I have.

It's worth saying that Lloyds have responded to Mr S's and Mrs S's issue regarding the unpaid cheques, so I won't be commenting on that. Mr S's and Mrs S's complaint centres around two main issues, firstly Lloyds' failure to respond to various letters and emails over several months looking for explanations regarding the unpaid cheques issue and subsequently how one of those letters that his wife had hand delivered to a local Lloyds branch, ended up being in the hands of Bank B.

As far as the first point is concerned it seems Lloyds treated the communication as a complaint, so as I have said I can't consider its complaints process other than to say Lloyds have accepted it could have provided a better overall service and should have set up a new complaint rather than adding this to the existing complaint – but it offered Mr S and Mrs S £30 by way of apology in addition to the £100 for the complaint about the unpaid cheques and I'm satisfied that is reasonable here. It's also fair to say part of the failure of Lloyds to respond, would have been in part exacerbated by the letter of 6 April 2023 being delivered to Bank B, which I will come onto later, so it wasn't able to deal with the issues raised in that letter.

As far as the main issue here is concerned, regarding the letter dated 6 April 2023 being delivered to Bank B, I can't say with any certainty it was Lloyds who delivered the letter Mrs S says she handed in to its branch, to Bank B. In the same way I can't say Mrs S may have by mistake handed the letter into Bank B. What I would say is, it's not reasonable to think Lloyds having received the letter addressed to them, would then for any reason hand it into another Bank. I also accept in all probability Mrs S having used the local Lloyds Branch regularly would also mistakenly hand the letter to Bank B located in the same street.

So, what is being asked of me is to definitively explain what happened here and who was at fault - but without any clear evidence I can't do that. Both the investigator and Lloyds have suggested that the letter dated 6 April 2023, addressed to Lloyds was inadvertently caught up in the external mail and potentially misdelivered by the postal service. While that is a possibility there's no evidence to support this, other than of course the letter did arrive at

Bank B who mistakenly responded to it without checking who it was addressed to. What I would say is if the letter was correctly addressed to Lloyds, then it seems unlikely a member of its staff would then arbitrarily readdress this, or hand deliver it to a competitor bank - so with that in mind I can't say with any certainty Lloyds are responsible for the reason why the letter was delivered to Bank B.

Without trying to minimise the upset and frustration this matter would have undoubtedly caused Mr S and Mrs S here, it's worth mentioning that Bank B, like all banks would also be subject to customer confidentiality measures and hopefully this acts as some reassurance over any potential data breaches that Mr S and Mrs S are concerned about.

But as I have said previously, without any clear evidence here I am unable to say with any certainty that Lloyds forwarded the letter dated 6 April 2023 to bank B, for the reasons I have already given.

While Mr S and Mrs S will be disappointed with my decision, I won't be asking anymore of Lloyds here.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 5 March 2024.

Barry White
Ombudsman