

The complaint

Mr M complains about Lloyds Bank PLC making an error with his direct debit that has caused him a financial loss. Also, their service when he tried to complain about this.

What happened

Mr M had a direct debit in place to pay his pension contributions with Company A. Company A is part of the Lloyds group.

Mr M says his Lloyds bank account changed in the 1990's and all of his direct debits except the one with Company A were moved over, and he didn't realise his pension contributions hadn't been paid until May 2023.

Mr M says he was shocked and distressed at this discovery. Also, that it impacted upon his mental and physical health. In addition, he explains how he received poor service when he tried to complain, that he was first directed to use an on-line system that incorrectly sent his complaint to Company A and then dealt with managers who wouldn't take any responsibility.

Lloyds apologised for the service Mr M received when he tried to complain but didn't uphold his complaint about the direct debit. They didn't agree they'd made an error and said that due to the time which has elapsed, they were unable to gain a version of events or locate any evidence on what had happened in 1994. Also, that they are only obliged to hold information for a maximum of six years. In addition, they said they would expect a customer to bring this to their attention as soon as possible to give them the best opportunity to resolve the issue.

Mr M brought his complaint to our service and our investigator partially upheld it asking Lloyds to pay Mr M £50 for the service he received when he tried to complain to Lloyds.

As Mr M remains dissatisfied, this case has now been referred to me to look at.

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'm also partially upholding this complaint for the same reason as our investigator, and I'll explain why.

I should first explain that:

- There are rules (known as DISP Rules) laid down by the Financial Conduct Authority which means complaint handling is not a regulated activity. So, specific complaints about how Lloyds manage complaints, including their complaint handling systems and staff can't be considered by our service.
- In cases where information is incomplete, inconsistent or contradictory, I must reach my

decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available information.

Regarding whether Mr M's complaint, about Lloyds making a direct error, is within the following jurisdiction timebound rules of our service:

- A. Six years after the event complained of; or if later:
- B. Three years from when the customer was aware, or ought reasonably to have been aware, of cause for complaint.

From reviewing the file, as I can see that the direct debit was stopped in 1994, I'm satisfied the complaint was brought more than 6 years after the event complained of.

There is however a dispute over part B. Lloyds say Mr M raised a complaint about the above event in 2019. But Mr M says:

'I never raised the complaint in 2019, to Lloyds as I knew nothing about it then, it was this year 2023 around July/August time that I complained, that's why it wasn't reported to yourselves in 2019'.

I considered Mr M's comments alongside the following Lloyds submissions:

1. A letter addressed to Mr M at his current address, dated 7 November 2019, which included the following comments:
 - *'Thank you for taking the time to speak to me'.*
 - *'I understand you're concerned your Direct Debit (DD) for your Company A Pension was not transferred from your Money Plan Account to your Current Account in 1994'.*
 - *'I've reviewed your concerns and I'm unable to uphold your complaint'.*
 - *'Looking into your concerns, I have been unable to agree the bank has made an error. Due to the time which has elapsed, I have been unable to gain a version of events from the Branch you visited. I have also been unable to locate any evidence your DD was or was not transferred to your Current Account from your Money Plan Account in 1994. We are only obliged to hold information for a maximum of six years'.*
 - *'I appreciate you advised you brought this to our attention in 2000, however this was more than 3 years after the supposed error took place. We would expect a customer to bring this to our attention as soon as possible to give us the best opportunity to resolve'.*
 - *'You have the right to refer your complaint to the Financial Ombudsman Service, free of charge'.*
2. A system note, referencing the telephone conversation referred to in the above letter.

Having considered the submissions of both parties here, as Lloyds have produced more than one record, and one supports the other, I think, on balance of probabilities, that it is more likely than not that Mr M raised a complaint about the same issue in 2019 and Lloyds gave him referral rights. So, as a complaint wasn't referred to our service in 2019 or 2020, I'm satisfied the above mentioned parts, A and B, of our jurisdiction both apply and that this element of the complaint is out of time.

As Mr M believes Lloyds made an error that has had a significant financial impact on him and can't recall raising a complaint in 2019, I appreciate he will be very disappointed that I'm unable to consider it. I should though point out the above data retention point in Lloyds 2019 letter.

I have though been able to consider what happened in Lloyds' branch when Mr M made enquires in 2023.

From Lloyds' submissions including their complaint response where they say:

- *'We could've dealt with things better'.*
- *'I'm sorry that you've been passed between Lloyds and Company A when you initially contacted us about your complaint'.*
- *'I agree that one department should've taken ownership of this to help answer any questions or concerns you had'.*
- *'It's clear the service you received fell short of our normal standards and we've let you down'.*

I'm persuaded that Lloyds made an error directing Mr M to Company A, and I think it's fair and reasonable that they should provide Mr M with some compensation here.

Assessing compensation isn't an exact science and our approach when making awards for non-financial loss is detailed on our website and tends to be modest. Also, as mentioned above I'm unable to consider elements of Lloyds' complaint handling.

I recognise Mr M's distress, as he believes a Lloyds error has caused him to lose thousands of pounds on his pension. But there is no evidence to support this claim and, as mentioned above, I think it more likely than not that he has previously presented this complaint to Lloyds.

So, I have looked at this service as a separate matter. And having done so I agree with our investigator that a £50 award is fair compensation.

So, having considered the above and all the information on file I'm partially upholding this complaint and I require Lloyds Bank PLC to pay Mr M £50 compensation.

My final decision

My final decision is that I'm partially upholding this complaint and I require Lloyds Bank PLC to pay Mr M £50 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 19 March 2024.

Paul Douglas
Ombudsman