

## **The complaint**

Mr A complains about the service he received from Lloyds Bank PLC ("Lloyds") following a block applied to his account. He says that the staff treated him unfairly during the process of having the block removed. He says the steps required to remove the block were unnecessary and that the staff were rude and ignored his disabilities.

## **What happened**

Mr A opened an account with Lloyds. Mr A was asked by a prospective landlord to provide proof of his savings. Mr A transferred money from three bank accounts to his Lloyds account to show this. As a result of these transactions Mr A's account was blocked and he was asked to contact the bank.

Mr A contacted Lloyds and an advisor asked him some questions to verify the transactions. Following answering some of the questions Mr A declined to answer any more - as he believed them to be irrelevant. Mr A was told that he would then need to visit a branch for security to be completed and to have the block lifted. Mr A informed the advisor that he had several disabilities and that the nearest branch is miles away, but he was still required to visit a branch as the advisor determined that security couldn't be completed over the phone. Although the advisor was told of Mr A's disabilities, they failed to record a note about this.

Mr A complained to Lloyds about all of this. Lloyds upheld Mr A's complaint and acknowledged that his disabilities were not recorded when he made it aware of his conditions and that it fell short of its normal standards in this regard and offered £20 compensation. But Lloyds didn't agree its advisor was unprofessional on the phone and said the correct protocols were followed.

Mr A was dissatisfied with this and brought his complaint to this service.

Mr A believes he was treated unfairly by Lloyds staff during this process. He says he was questioned in a rude and interrogatory manner and that keeping the account blocked was unnecessary as was having to travel to a branch to have the matter resolved. Mr A says he informed Lloyds on several occasions that he had disabilities, yet it failed to record this on its systems. Mr A says that that Lloyds actions worsened his conditions and that ignoring his disabilities amounted to discrimination.

One of our investigators looked into Mr A's concerns and thought that Lloyds had correctly followed the procedures it had in place for fraud prevention and didn't think the actions Lloyds took in applying the block were unreasonable and that it was necessary for Mr A to attend a branch of Lloyds to verify his identity.

However, they agreed that the call with the Lloyds advisor could've been handled better, as although there was tension on both sides, they felt this was escalated by the call handler and that Lloyds had failed to correctly record and consider Mr A's disabilities and thought Lloyds should compensate Mr A £100 to reflect the distress this error caused.

Lloyds, in an effort to resolve matters agreed to pay Mr A £100 compensation as

recommended by our investigator.

Mr A disagreed, he says the minimum compensation he'll accept is £500 and has asked for an ombudsman's 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.

I hope that Mr A won't take it as a discourtesy that I've condensed his complaint in the way that I have. Ours is an informal dispute resolution service and I've concentrated on what I consider to be the crux of the complaint – our rules allow me to do that.

And the crux of Mr A's complaint is regarding the service Mr A received from a Lloyds when Mr A phoned it regarding a temporary block that had been applied to his account. In particular, he says the advisor was rude and interrogatory in their manner, ignored his disabilities and failed to make a note of them. Furthermore, Mr A doesn't believe the visit to branch was necessary.

It might be helpful for me to say here that, as we are not the regulator, I cannot make the bank change its policies or procedures – such as when or how it invokes fraud prevention measures when it has concerns about activity on an account. We offer an informal dispute resolution service and we have no regulatory or disciplinary role.

My role is to look at problems that Mr A has experienced and see if Lloyds has done anything wrong. If it has, I'd seek to put Mr A back in the position he would've been in if the mistakes hadn't happened. And we may award compensation that we think is fair and reasonable.

So the first question I have to ask here is was it reasonable for Lloyds to invoke the security procedures in the circumstances of Mr A's case and did Lloyds do anything wrong in not lifting the block following the initial phone call between Lloyds advisor and Mr A.

And I don't think Lloyds actions were unreasonable. As I've already explained above it's not for me to tell Lloyds how to run its business, but I would expect Lloyds to have policies and processes in place to protect it and its customers against fraud – and I think Mr A would agree and understand that.

In this case Lloyds systems flagged the large transfers made in and out of the account from different banks in quick succession and a block was applied until further security checks could be carried out.

Mr A called Lloyds to satisfy its security checks and verify the transactions. Having listened to the phone call I think it is fair to say there was frustration on both sides. On Mr A's part having to go through a process he didn't think was necessary, and on the advisors because he determined that Mr A wasn't co-operating fully with the protocol he was required to follow. This led to some tension which meant the security checks couldn't be completed over the phone.

I appreciate Mr A didn't think the questions were necessary, but it is not for him to determine what Lloyds needs to do to verify his identity and satisfy its security procedures. And I don't think the questions Mr A was asked were unreasonable, I think they were typical of questions that might be asked to understand the activity on Mr A's account. As Mr A was unwilling to answer the questions and the adviser had concerns and wasn't satisfied he

could complete security over the phone and lift the block, he followed Lloyds procedures and asked Mr A to visit a branch to verify his ID.

I accept this was an inconvenience for Mr A, but sometimes life requires one to spend time dealing with personal administrative matters – such as here. So, as I haven't seen any evidence to suggest Lloyds hasn't followed its procedures in requesting Mr A attend a branch, I don't think Lloyds treated Mr A unfairly.

Mr A says by failing to record a note on his disabilities and asking him to visit a branch Lloyds discriminated against him and failed to accommodate and support him with his disabilities. Although I agree Lloyds made an error in not recording Mr A's disabilities – and Lloyds have also accepted this - I don't think this amounted to discrimination. I say this as regardless of Mr A's disabilities he still would've needed to visit a branch of Lloyds to verify his ID as this process was unable to be completed over the phone.

But that is not to say Lloyds failing to record a note about Mr A's disabilities didn't impact him and cause some distress. Because of this failure Lloyds staff weren't equipped with the knowledge needed to deal with Mr A in a way that accommodated his challenges when he made the visit to branch and going forward. This left Mr A feeling ignored and distressed.

So I think some compensation is warranted to reflect this. I understand Lloyds has now made a note about Mr A's disabilities, so going forward this can now be taken into consideration by its staff. So this being the case I think the £100 compensation recommended by our investigator and accepted by Lloyds is fair for the distress Lloyds mistake caused in this instance.

### **My final decision**

For the reasons I've explained, I uphold Mr A's complaint and direct Lloyds Bank PLC if it hasn't done so already to pay the fair compensation as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 29 February 2024.

Caroline Davies  
**Ombudsman**