

The complaint

Mr R has complained about what happened when Lloyds Bank PLC closed his account.

What happened

Mr R had a credit card account with Lloyds, which it decided to close. Accordingly, it wrote to him to give him two months' notice. When he received the letter, he contacted Lloyds to say he didn't want his account to be closed, and would start spending on the card. The agent said that there didn't seem to be an option to keep it open, but said that if Mr R started spending on the card, it may prevent closure.

Unfortunately, Mr M then encountered issues with spending on the card, so contacted Lloyds again. He was told his account was active, so the card should be working – and using it should prevent closure.

Mr R then visited a branch, where he was told a new card was needed, and one was issued. However, his account was closed soon after. This resulted in him calling Lloyds, but being transferred to a department that couldn't help him.

Lloyds acknowledged that Mr R had been misadvised, and that he should have been told that the decision to close the count was final, and spending on it wouldn't keep it open. It offered Mr R £60 compensation for the inconvenience caused.

Mr R was unhappy with this, so brought his complaint to our service. One of our investigators looked into what had happened. She considered that the misinformation had led to Mr R spending a lot of time trying to prevent the inevitable, and had caused him some embarrassment. She felt the compensation should be increased to £150.

Lloyds agreed. Mr R did not, as he felt the compensation was still too low. His complaint's now been passed to me.

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 agree with our investigator. I can see that Mr R was caused trouble and upset as a result of being misadvised. But, I think £150 is a fair sum to reflect the level of trouble and upset caused, by wasting his time and the account closing in any event - and is in line with similar awards made by our service.

Putting things right

To put things right, Lloyds should increase its compensation to a total of £150.

My final decision

It's my final decision to uphold this complaint. I require Lloyds Bank PLC to pay Mr R a total

of £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 17 September 2024.

Elspeth Wood
Ombudsman