

The complaint

Mr K complains about Lloyds Bank PLC's decision to close his accounts.

What happened

Mr K held accounts with Lloyds and in April 2023 he accidentally locked himself out of his online banking facility. To try and resolve this problem, he went to a Lloyds branch and was told he'd need to bring identification documents into the branch. Mr K then returned to the branch - but at this point, the versions of events differ. Mr K says that the service and treatment he received was unacceptable. Lloyds says that Mr K was abusive towards its branch staff. As a result of this, Lloyds told Mr K it'd be closing his accounts.

Mr K complained to Lloyds about this. Lloyds responded, standing by its decision to close Mr K's accounts because of his behaviour. But it acknowledged that, as a part of this – Mr K was charged a fee on his ISA that he shouldn't have been and so this was refunded. This didn't resolve the complaint for Mr K and so he brought it to us.

One of our investigators looked into this and found that Lloyds had acted fairly and reasonably in how it dealt with the matter. They felt that Lloyds was entitled to have closed Mr K's accounts and that it followed its correct process in doing so. They noted that the fee that was incorrectly applied had been refunded and said that they had seen a refund of the interest on Mr K's ISA up until the closure.

Mr K disagreed, saying that he was never abusive and so Lloyds was unfair in closing his accounts. He said that CCTV should be checked and that he never received the refund of interest from his ISA. He added that Lloyds had never responded to a subject access request.

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.

Much as Mr K is free to decide who he banks with, Lloyds is entitled to decide who it provides accounts and services to. That includes reviewing its relationships with existing customers too. The terms and conditions for Mr K's accounts with Lloyds explain that one reason that Lloyds may close a customer's accounts immediately is if they have been abusive or threatening to staff.

Here, Lloyds felt that Mr K had been abusive to its staff - Mr K feels very strongly that he wasn't. In these situations, I can't know exactly what happened as I wasn't present during the incident(s) in question. This means I have to weigh up the evidence that's available and decide what is more likely than not to have happened on balance. I've seen the notes that Lloyds made at the time in relation to Mr K's visits to the branch and I've then taken into account Mr K's testimony around this. Having seen this, I think what's most likely to have happened is that things clearly became heated in the branch when Mr K visited it. Mr K himself has described using strong language on at least one occasion to a branch staff

member.

I can see that Mr K views his behaviour as acceptable in the context of the situation, but Lloyds said he was abusive. I find the notes Lloyds recorded at the time persuasive as a record that it viewed Mr K's behaviour as abusive and that it was entitled to make that decision. In these circumstances and given what the terms of the account say - I think Lloyds was entitled to close Mr K's accounts as it did. I realise that Mr K views things very differently but I have to make my decision on balance of the evidence here.

The terms of Mr K's accounts explain that it can close accounts for this reason immediately, but here I've seen that Lloyds gave Mr K notice of closing his accounts on 26 April 2023, before closing them on 26 May 2023. I think that was a fair thing for Lloyds to have done here, where there was no obligation on it to have provided notice. I've also seen confirmation that Lloyds has processed a refund for the account closure fee on the ISA and credited Mr K with the interest that was payable up until the closure of the same account.

Mr K says he hasn't received the refund of the interest on the ISA, but I've seen evidence from Lloyds confirming it has processed this. He has also mentioned CCTV and a subject access request. I don't think CCTV would help in circumstances like this. Much of the dispute here is around what was said in the branch – which wouldn't have been recorded by CCTV. It's not entirely clear what Mr K is referring to in respect of the subject access request, but I can't see that this is something that was dealt with by Lloyds when it issued the final response letter to this complaint here. So it's not something I'll be addressing as a part of this decision.

My final decision

My final decision is that I don't uphold this complaint.

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

James Staples
Ombudsman