

## **The complaint**

This complaint is about a disputed transaction at a branch of Lloyds Bank PLC. Mr K said he paid in £700. Lloyds said he withdrew £700 but its cashier wrongly entered it as a credit.

## **What happened**

On 25 October 2023, Mr K went to a Lloyds branch. He'd received his wages into the account that day.

The cashier credited Mr K's account with £700.

At the end of the day, the cashier's till didn't balance, by £1,400. This was investigated and it was discovered that the cashier had mistakenly credited Mr K's account, when actually he'd withdrawn £700 cash. Recording a £700 credit when it had been a £700 debit explained the £1,400 till discrepancy.

The branch rang Mr K, but he said that he'd paid in £700, not taken it out. He then said he couldn't speak further because of family commitments.

The branch debited Mr K's account to show a debit instead of the credit. Mr K was unhappy and said he hadn't agreed to the alteration.

During the day, Mr K had moved £700 to another account in his own name, and other transactions had also taken place. So the correction from a credit to a debit put his account into an unauthorised overdraft. Mr K complained.

Shortly afterwards, Mr K stopped using the account. Lloyds' collections team contacted Mr K a number of times because of the outstanding debit balance.

In Lloyds' final response to Mr K's complaint, it said that it had identified that the £700 transaction had been wrongly processed as a credit not a debit. It apologised for the error, which was corrected the same day. The letter pointed out that it could see that Mr K had transferred the £700 to another account in his own name after visiting the branch. Lloyds also said that as Mr K had transferred the £700 to another account before the correction was made, his account was in unauthorised overdraft – which he was now required to pay.

Mr K didn't respond to Lloyds' letter, and its collections team continued to write to him. In December, it said it would:

- close Mr K's account two months from the letter;
- could update his credit file with a default. This would stay on his file for six years and could make borrowing money harder in future;
- could ask a debt collection agency to recover the money. They could take Mr K to court for a judgment against him, requiring him to pay Lloyds the money he owed.

Mr K contacted this service, saying he'd paid in money not taken it out, and now he couldn't use the account.

Our investigator didn't uphold Mr K's complaint. He said that Lloyds had provided compelling evidence that showed it was more likely than not that Mr K had withdrawn £700, not paid in £700. Lloyds' mistake had given Mr K funds he wasn't entitled to. So he said Mr K should return these funds to Lloyds.

Mr K didn't accept this. He said he hadn't withdrawn the money, and if he did, show him the CCTV. Our investigator asked Mr K if he had any more evidence – for example, receipts showing where the £700 he said he'd paid in had come from.

Mr K replied that his aunt had given him the money and why would he have a receipt. He said the cashier had called him from a personal phone number which he said she wasn't allowed to do, and said the bank should be attacking the cashier, not him.

The investigator said that he was willing to consider any additional evidence from Mr K. He said:

- Lloyds had highlighted that Mr K had quickly moved the money from his account to another account in his name. The investigator could see that Mr K had stopped having his pay credited to the account, and had stopped paying any bills from it. Lloyds had suggested Mr K had abandoned the account, and the investigator asked Mr K why that was.
- He asked Mr K for any receipts/ bank statements to show where the £700 came from. Mr K had said his aunt had given him £700, so the investigator asked for any evidence of that – for example if the aunt had drawn it from a cash machine, or she might have a bank statement showing the withdrawal.
- He asked Mr K for his phone history showing the allegation that the Lloyds cashier had contacted him from her personal phone.

Mr C replied that the reason he'd transferred £700 out later that day was because he was paying a credit card bill on his credit card run by his employer, which he said he had to do every month. He didn't reply to the investigator's questions. He asked for an ombudsman's decision. So Mr K's complaint was referred to me 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.

I can't tell for certain what happened on 25 October, because I wasn't present. I note that after our investigator issued his view, Mr K asked for CCTV. But CCTV is rarely kept for long, and not usually more than a month. I can't see anything to show that Mr K asked Lloyds for CCTV, but in any case it would no longer be available for me to see now. So I've taken my decision on what I think it most likely to have happened, given all the evidence that's been provided to me, both from Mr K and from Lloyds.

Lloyds has provided a statement from the cashier. Among other things, this says that she'd written "*cash out*" on the voucher, but had mistakenly credited the account instead. A £700 credit to Mr K's account, instead of a £700 debit, would also account for the £1,400 cash difference on her till.

Mr K hasn't provided any of the evidence which the investigator asked him for, which might support his version of what happened. He didn't provide any evidence from the aunt who he said had given him the cash – such as a £700 cash machine withdrawal, or evidence of a £700 cash withdrawal on her own bank account. Mr K also didn't answer why he'd stopped using his Lloyds account as soon as it had gone into unauthorised overdraft. Nor did Mr K provide the phone evidence about the number from which Lloyds rang him. So I can't

consider his statement that the cashier rang him from a personal phone when she shouldn't have done.

I've considered what Mr K said about having quickly transferred £700 out of his account, after the disputed transaction. He said it was to pay his credit card with the company he works for. He said it had a £700 limit, and he said he had to make that payment every month. I've seen Mr K's statements going back to April 2023. In most months, there are indeed outgoing payments to his employer's credit card. These vary in amounts from under £100 to around £490, presumably according to what Mr K has spent each month.

But the statements show these are all sent to the company he works for, as electronic Faster Payments. They're not sent to a personal account in Mr K's own name. The £700 outgoing payment which Mr K authorised shortly after the disputed transaction £700 credit, went to a personal account in Mr K's own name. And there was a separate Faster Payment to Mr K's employer for £365.84, which looks like his normal credit card payment. So I have to conclude that it's more likely than not that Mr K made the £700 outgoing transfer not to his credit card, but to an account in his name on 25 October because he discovered he'd unexpectedly benefitted by £700.

Mr K hasn't provided any evidence from which I could reasonably conclude that he did pay in £700 on 25 October. So, taking into account all the evidence which I do have, I consider it's more likely than not that Mr K made a £700 cash withdrawal that day, not a £700 cash deposit. The cashier made a mistake, but that doesn't mean that Mr K can keep the money from that mistake. I don't have any information about whether or not Mr K has paid Lloyds what he owes since Lloyds' December letters to him, but if he hasn't, he still needs to do so. I see that Lloyds has warned him about the possible future consequences of any default recorded on his credit file.

### **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 K to accept or reject my decision before 13 May 2024.

Belinda Knight  
**Ombudsman**