

The complaint

Mrs W complains that Lloyds Bank PLC prevented her from making online payments. And she'd like the restriction lifted.

What happened

Mrs W has an account with Lloyds. She also has a complaint with our service relating to another bank in Lloyds Banking Group. I'll call this Bank S.

On 10 August 2023 Mrs W attempted to make an online payment from her Lloyds current account to her credit card, however the payment was blocked.

Mrs W complained to Lloyds about the block. Lloyds looked into Mrs W's complaint and advised that there was a temporary block preventing her making online banking payments.

Lloyds explained that this was the result of Bank S applying a restriction on her internet banking due to them being concerned she might be the victim of a scam – this also impacted on her ability to make internet banking payments from her Lloyds account.

Lloyds said for the restriction to be removed Mrs W needed to visit a Bank S branch and provide her identification and answer questions about an attempted payment.

Mrs W wasn't happy with Lloyds response – and didn't think it was fair that information was shared within the Lloyds Banking Group.

One of our Investigators looked into Mrs W's complaint but they didn't uphold it. They thought Lloyds acted fairly in blocking her ability to make internet banking payments to protect her from the risk of financial harm.

But Mrs W didn't agree. In summary she said:

- It's illegal to block her accounts when there's no evidence of fraud
- She's cancelled the payment now so why does the account need to be blocked?
- What's their rationale for wanting to question her?
- She can't use her debit card, withdraw cash or transfer money between her accounts

As Mrs W didn't agree it's been passed to me to decide.

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.

The majority of Mrs W's response relates to her account with Bank S. I've considered Bank S's actions in a separate decision, so I won't be commenting on this here. But, I will be

considering whether it's fair for Lloyds to block Mrs W's access to online banking payments. And if it Lloyds acted fairly in receiving, and acting on, information from Bank S.

I appreciate that Mrs W will find this disappointing, but I can't conclude Lloyds' actions were unfair. The block on Mrs W's online banking payments was put in place by Bank S to protect Mrs W from potential financial harm, however Mrs W is quite right that Lloyds have the authority for determining what happens with her money held with them. It follows, I need to consider whether Lloyds acted fairly in keeping the block in place. I understand this will disappoint Mrs W, but much as Bank S have a responsibility to protect Mrs W from financial harm – so do Lloyds. I understand that the original concerns about Mrs W being at risk of potential fraud were due to a payment Mrs W attempted on her account with Bank S – but that doesn't mean Lloyds might share Bank S's concerns.

Mrs W responded to our Investigator's view with several points – these include that she's unable to use her debit card or withdraw cash. From the evidence shared with our service by Lloyds, which includes the block details, the block on Mrs W's account *doesn't* prevent her using her debit card.

For the reasons I've outlined above I won't be asking Lloyds to do anything further.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 18 April 2024.

Jeff Burch
Ombudsman