

## **The complaint**

Mr J complains that Lloyds Bank PLC are responsible for a data breach.

## **What happened**

Mr J had a current account with Lloyds. He complained to Lloyds in September 2023 that a Lloyds' adviser, who Mr J knew personally, had accessed his account and disclosed his financial information to other individuals also known to Mr J.

When Mr J didn't initially get a response from Lloyds, he brought his complaint to this Service in November 2023. Mr J said the Lloyds' adviser who disclosed his information did so in an attempt to belittle him, and the people to whom the information was disclosed had been disrespectful towards him. Mr J said this was causing problems in his everyday life and that it's had a very negative impact on his mental health. Mr J said he wanted to be compensated for the distress this had caused and also wanted Lloyds to take strict measures to ensure this wouldn't happen again.

Lloyds responded in December 2023 and upheld Mr J's complaint. It said it must have been frustrating and inconvenient for Mr J to be informed about his account balance by a third party. Lloyds said it had completed an internal investigation but wasn't able to communicate the outcome to Mr J. It said Mr J should rest assured that it took matters like this very seriously. Lloyds offered £500 compensation, which it paid into Mr J's account. This was later removed, at Mr J's request.

Mr J told this Service he had also referred this matter to the Information Commissioner's Office (ICO). The information he provided us with showed the ICO agreed there appeared to have been a data infringement. The ICO said it would keep a record of his concerns but would not take any further action. It was satisfied Lloyds was aware of its data protection obligations.

Our Investigator thought Lloyds should pay an additional £250 compensation, given the embarrassment this matter caused Mr J and the impact it had on his mental health.

Lloyds agreed to pay the additional compensation.

Mr J didn't agree with the compensation suggested and was keen to know what measures were put in place to prevent this happening to him again.

Our Investigator let Mr J know that any information about what measures Lloyds might have put in place to prevent a reoccurrence was business sensitive information, which we couldn't instruct Lloyds to disclose.

As Mr J wasn't happy with the outcome, this came 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.

All parties are in agreement about what happened here that led to Mr J's financial data being disclosed. Lloyds have already offered to pay compensation of £500. So the issue I am looking at is whether £500 is a fair amount of compensation, given the particular circumstances of this complaint.

I think it's important to point out at this stage that this Service doesn't punish businesses when an error is made, as this is not our role. In these circumstances, what we look to do is consider whether the error caused any distress or inconvenience and decide on a fair amount of compensation for that.

It's clear this matter has had a significant impact on Mr J. He understandably feels embarrassed and humiliated that people who shouldn't know about his financial situation have been provided with information that should have been confidential. I'm mindful that Mr J has also told us about the negative impact this has had on his mental health. I'm in agreement with our Investigator that the amount of compensation should be increased to a total of £750 to compensate Mr J for the distress and inconvenience he experienced.

Mr J is keen to make sure that nothing like this happens to him again. So he wants to know what steps Lloyds have taken to prevent it. I do understand why Mr J would want to know just how Lloyds have chosen to address this matter, but the fact is that it is allowed to keep the details of the internal investigation it has undertaken, and any internal actions it's taken as a result, confidential. So I am not asking it to disclose anything further. I hope it puts Mr J's mind somewhat at ease to know that Lloyds has carried out an investigation, recognised that something has gone wrong and the negative impact this has had on him.

I know that Mr J will be disappointed with my decision, and I do have a great deal of sympathy with the difficult position he's been put in here, but I am satisfied that £750 is a fair amount of compensation in these circumstances.

### **My final decision**

I require Lloyds Bank PLC to pay a total of £750 compensation to Mr J.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 26 April 2024.

Martina Ryan  
**Ombudsman**