

## **The complaint**

Mr V complains that Lloyds Bank PLC (“Lloyds”) failed to complete a £250,000 payment correctly resulting in Mr V having to spend time trying to retrieve his funds.

## **What happened**

Mr V wished to invest £500,000 and was advised by Lloyds due to the amount it had to be done over two days. Mr V visited a branch of Lloyds and attempted to make a payment of £250,000 to an account he holds with an investment broker on 22 November 2023. Due to the wrong reference being keys into its system the payment was not credited to the correct account. Mr V attended Lloyds branch the following day and made another £250,000 payment which was correctly received.

Mr V checked his investment account regularly and saw that only one payment had been credited. On 28 November Mr V queried this with the investment broker who explained the payment was rejected because the reference was incorrect. Mr V made a visit to Lloyds branch and was advised that the funds would be returned to his account within 24 hours and would be resent on return. The payment was credit back to his account as advised the following day

Mr V complained to Lloyds that he lost 8 days of interest due to its error. Lloyds agreed it had made an error and paid Mr V for the lost interest he incurred (6% on £500,000 over 8 days totalling £665) and offered Mr V £100 compensation for the distress and inconvenience suffered due to its mistake.

Mr V was dissatisfied with this and says he spent nine hours of his time over a number of days including repeat visits to Lloyds’ branch to find and recover the missing funds and the compensation doesn’t reflect the actual trouble and upset caused, so Mr V brought his complaint to this service.

One of our investigator’s looked into Mr V’s complaint and thought Lloyds had fixed its banking error by paying Mr V for the lost interest and after considering the impact Lloyds mistake had on Mr V thought the £100 offer of compensation was fair and reasonable. Mr V disagreed, he doesn’t believe the compensation offered is enough given the sum of money involved, the time it took to resolve and taking into consideration his age and health conditions. So, Mr V’s complaint has been progressed for an ombudsman’s decision on the matter.

## **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.

My role is to look at the problems Mr V has experienced and see if Lloyds has done anything wrong or treated him unfairly. If it has, I would seek – if possible - to put Mr V back in the position he would’ve been in if the mistakes hadn’t happened. And I may award compensation that I think is fair and reasonable.

In this case there is no dispute that when Mr V attempted to make a large payment a Lloyds staff member incorrectly keyed in the reference resulting in the payment being rejected and returned to Mr V's account a week later.

But the funds were returned and the payment correctly made. Furthermore, Lloyds have paid Mr V £665 in the lost interest he incurred as a result. So I consider that Lloyds have put Mr V back in the position he would've been in if the mistake hadn't happened.

So, what I now have to decide is whether the £100 compensation offered by Lloyds is a fair and reasonable amount of compensation for the distress and suffering Mr V endured as a result of its error. And I think it is.

Mr V wants £750 in compensation as he spent some time in trying to sort the matter out and believes it was mainly due to his efforts that his funds were recovered. I accept Mr V has been inconvenienced by this but when assessing compensation although we consider the time it took to sort out the issue and the impact this had we don't make a specific award for someone's time. And my understanding is that as soon as Lloyds became aware of its error it correctly advised Mr V that his funds would be returned within 24 hours – which it was – and compensated him for the interest he lost out on.

Mr V has explained that the mistake had more of an impact on him due to health conditions he suffers from and his age. I do sympathise, Mr V has been both inconvenienced and distressed by Lloyds's mistake at what must have been a worrying time wondering where such a large sum of money had gone.

But things don't always go smoothly and mistakes happen and I'm sure Mr V appreciates that sometimes life requires one to spend time on personal administration matters. And our role isn't to punish or penalise the businesses we cover and I don't think it would be fair to hold Lloyds responsible for things such as Mr V's health when it wasn't aware of his conditions and that are outside of its control.

I appreciate Mr V says his travel insurance is through Lloyds and his health conditions are noted there. But I wouldn't expect Lloyds to check Mr V's health insurance policy to find out this information especially when the matter was resolved within 24 hours of Lloyds being informed there was a problem. And fortunately in Mr V's case I've seen no evidence that his conditions got any worse due to Lloyds error, indeed, I understand Mr V was able to visit Lloyds branch and make the necessary calls to follow things up.

I accept Lloyds's mistake caused stress and anxiety for Mr V, but overall, I think it did all it reasonably could to try and resolve matters for him. And as I think what Lloyds has done to put Mr V back in the position financially had its error not occurred is reasonable and I can't say Mr V's financial situation got significantly worse as a result of Lloyds's error, I think the £100 compensation is fair. It is in line with what we'd usually recommend and I'm not persuaded that awarding any further compensation would make a material difference to Mr V's situation.

So, it follows I think the recommended total compensation of £100 is a fair and reasonable way to settle Mr V's complaint for the distress and inconvenience caused to him.

### **My final decision**

For the reasons I've explained, I've decided Lloyds Bank PLC have agreed to do to settle Mr V's complaint is fair and reasonable and I'm not going to ask it to do anything more.

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

Caroline Davies  
**Ombudsman**