

The complaint

Miss L is unhappy that Lloyds Bank PLC removed funds from her account, putting her account into overdraft.

What happened

When Miss L visited a Lloyds' branch in July 2023, along with a friend who was with her at the counter also carrying out a transaction, Lloyds credited £2,000 into Miss L's account.

Lloyds identified a £2,000 cash shortage in the branch tills at the end of the day.

Around three weeks later, Lloyds spoke to Miss L by phone and asked what banking she had done at the branch that day and if she had paid cash into her account. Miss L said she hadn't made any cash payments into her account that day.

So Lloyds debited £2,000 from Miss L's account, recording in its system notes that this was done '...due to incorrect deposit into the account'.

Miss L subsequently complained to Lloyds and asked it to refund the £2,000 back into her account. Lloyds didn't uphold her complaint. It said the funds had been credited to Miss L's account in error and were debited to correct the position.

Unhappy with this response, Miss L referred her complaint to us, saying she had mistakenly denied the transaction '...due to language barriers.'

One of investigators looked into Miss L's complaint but didn't feel he'd seen enough overall to show that Lloyds had acted unfairly or unreasonably. So he didn't uphold the complaint.

Miss L disagreed. She was concerned about Lloyds' refusal to acknowledge it had made an error. She said this raised concerns about potential racial discrimination and showed a lack of responsibility, given the clear evidence she had provided.

She has asked for an ombudsman review, so her complaint has come 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.

Miss L has made a number of detailed points about the events in branch on the day of her visit and provided some additional information in response to questions I raised. It is not necessary for me to respond to every point made, as I'll be considering the circumstances as a whole. But I'd like to reassure her that I have read and considered her correspondence in full.

My role is to consider the evidence presented by Miss L and Lloyds, and reach an independent, fair and reasonable decision. My findings are made on a balance of probabilities, in other words, what is more likely than not, based on the evidence that has been provided by the parties. This means in order to uphold this complaint there would have to be persuasive evidence that made it more likely than not that Lloyds had done something wrong or acted unfairly or unreasonably towards Miss L, causing her detriment. So that's the focus of my complaint.

The background facts are broadly not in dispute – it's agreed that Miss L and a friend went to the branch together. It appears that they were at the counter at the same time dealing with the same bank clerk. Miss L told us that both she and her friend each paid in £2,000 cash over the counter into their respective accounts.

Lloyds said that the branch discovered at the end of that day that there was a cash shortage of £2,000.

There's no recording of Lloyds' call with Miss L about her visit. But I've seen mention in an email sent from the branch that Miss L was asked what she did during her visit and that she confirmed she '...only did transfers.' And when asked specifically if she had paid any cash into her account, '...she said she had not.'

This email was sent around the time of that conversation and it is in line with what Miss L has told us she recalls. So I think it's reasonable for me to make a finding that Miss L agreed that she hadn't paid in the £2,000. And, on balance, despite what Miss L said later about this being a misunderstanding, I don't think the available evidence supports a finding that she paid £2,000 into her account on the day of the visit, for the reasons that follow.

It's unlikely that Miss L would have misunderstood a question asking her what she did at the branch when she visited with her friend. Whilst English is not her first language, she was in the UK as a student and she had already been studying in the UK for some time. I think it unlikely that she would have lacked sufficient spoken English skills to be able to communicate effectively about this matter – both in terms of understanding what she was being asked and answering Lloyds's questions. I've seen nothing to suggest in her communications with us that she struggles to understand or be understood in English.

I've considered the possibility that Miss L might've muddled up what happened that day - perhaps confusing this visit with what happened during a different visit. But given that she was talking to Lloyds just a few weeks after the visit to the bank, I think she would have been able to recall accurately the particular visit at the time. The circumstances are quite specific – she was with a particular friend and this branch wasn't the branch she usually used.

Miss L told us that it was coincidence that she and her friend had both decided to deposit an identical amount on the same day.

She said they chose to use this particular branch as this was the closest one after arriving at a nearby train station, and they needed a secure place to deposit their substantial cash holdings. But Lloyds has a note that when asked later why she was travelling with £2,000, Miss L had told the bank that she was on her way out of the country.

I don't feel I can fairly attach much weight to what Miss L has said in support of her complaint when she has provided what appears to be conflicting information and the balance of the evidence tends to support Lloyds' version of events.

In coming to my decision, I am aware that Miss L feels that being able to see CCTV footage will show she deposited £2,000 when she visited the branch. Unfortunately no recordings are now available – but that's not a reason to uphold the complaint. I wouldn't reasonably expect Lloyds routinely to keep recordings for so long.

Weighing up everything I've seen and been told, I find it's more likely than not that when Miss L told Lloyds that she hadn't paid in £2,000 – this is more likely to be accurate than what she later thought she recalled.

This is further borne out by the fact that it seems Miss L's friend paid in £2,000 - and this is likely the credit that was wrongly applied to Miss L's account. The partial paying-in slip I've seen shows a £2,000 credit payment – but doesn't indicate the account name or number. So this isn't enough to show that the £2,000 was paid into Miss L's account.

All this leads me to conclude that Lloyds incorrectly recorded a £2,000 cash deposit into Miss L's account during her visit.

So Lloyds acted fairly and reasonably when it told her it would debit the money from her account to correct the position – and then did so.

Miss L mentioned 'potential racial discrimination' when she first brought her complaint to us. But she hasn't said in what way or how she feels Lloyds might have discriminated against her or provided any particular information in support of this aspect of her complaint – or mentioned it further. I've kept in mind this concern, but I've seen nothing that would support me upholding this aspect of her complaint.

As far as I can see, Lloyds treated Miss L in exactly the same way it would have treated any other customer. It contacted her to try and resolve the issue of the 'missing' £2,000 it couldn't account for in the branch tills. When she confirmed that she hadn't paid the money into her account, it corrected the error as I would expect it to do.

It's unfortunate that this impacted on Miss L's credit position. But I can't fairly say that Lloyds was responsible for that happening when she'd told Lloyds the credit balance on her account didn't belong to her.

My final decision

For the reasons given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 14 June 2024.

Susan Webb
Ombudsman