

The complaint

Mr B complains about service from Lloyds Bank PLC (Lloyds), including cancelling his overdraft.

What happened

Mr B has a current account with Lloyds and had an overdraft limit of £3,050. In February 2023, Lloyds messaged Mr B to say they were going to cancel it. He called Lloyds on 9 February 2023 and 10 February 2023.

Mr B complained. He said he wanted the overdraft limit left in place in case he needed it. He also complained about the interest and fees he's paid to Lloyds over the years; and the service he got when he visited a branch of Lloyds in February 2023.

Lloyds said:

- Customers' overdraft limits are reviewed from time to time to make sure they are appropriate for their needs. In Mr B's case, he hadn't paid into the account or used the overdraft facility for some time. As part of being a responsible lender, Lloyds needed to ensure customers don't overcommit themselves with their borrowing.
- Mr B raised the issue of interest and fees previously and the bank had responded in 2021, so that cannot be reopened.
- On the issue of branch service, given the passage of time, they couldn't investigate what was said, so couldn't fully look into it. But paid compensation of £25.

Mr B brought his complaint to us. During our investigation, Mr B raised an additional point - that he'd got bad service on the phone in February 2023 when he called Lloyds. Lloyds agreed we could look into that complaint also.

Our investigator didn't uphold Mr B's complaint and said:

- Lloyds reviewed overdraft limits from time to time and could change or cancel the limits if they wished – this was contained in the terms and conditions.
- Mr B hadn't paid into the account regularly.
- Mr B told us that the Lloyds account wasn't his main account, so it made sense that Lloyds didn't see regular credits into it.
- So, she could see why Lloyds cancelled the overdraft limit.
- On the phone calls, she considered the calls were handled effectively and the call handlers weren't aggressive in tone, language, or manner.
- She agreed that Lloyds couldn't be expected to look into what happened in the branch a long time previously.

Mr B didn't agree. He said our service was being biased in favour of Lloyds. He asked that an ombudsman look at his complaint, and so it has come to me to make 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've seen Mr B's comments to our investigator – so let me say at the outset that we are not a consumer group – we don't take sides. We are independent and impartial and our role is to listen to both sides of a complaint, take evidence from both parties, and then decide on a fair and reasonable outcome.

There are three aspects to Mr B's complaint:

- Cancellation of overdraft limit.
- Service in branch and on calls.
- Fees and interest.

Cancellation of overdraft limit:

Lloyds advised Mr B in February 2023 that his limit would be cancelled. I can see they messaged him to say that, and it was then cancelled. Mr B argues that he wants it left in place.

But I can also see that Lloyds terms and conditions allow them to review and change overdraft limits as these say: "... *An overdraft will continue until we or you end it. ...Can your arranged overdraft limit change?...We will review your arranged overdraft regularly. We may reduce or remove your limit after our review.*"

I think any bank can reasonably make commercial decisions about customers' limits according to how they assess the risk of each customer. And here, I can see that Mr B rarely paid into his account: there were four credits between 1 December 2022 and October 2023. Nor did he use the overdraft limit.

Normally a bank would like to see a regular salary or pension (for example) going into the account – as that is the source of repayment. And – that wasn't the case for Mr B. Mr B told us that he didn't use Lloyds as his main bank account – so I'm not surprised he didn't pay in regular credits, or a salary/pension.

So, it seems reasonable that Lloyds took the decision they did.

We also need to be certain that Lloyds communicated this clearly to Mr B – which I can see they did and messaged him: "*Important news about your overdraft facility We review all accounts from time to time to ensure overdraft limits are appropriate for our customers' needs. As you haven't paid money into your account or used your overdraft facility for a while, we've decided to remove you planned overdraft limit.....*"

Therefore, I consider Lloyds acted reasonably in cancelling Mr B's overdraft limit.

Service in branch and on calls:

Mr B says he got poor service in a branch of Lloyds in February 2023. Lloyds said that with the passage of time, it wasn't possible to investigate that. I considered this and I agree – this was ten months before Mr B complained (in January 2024), and so it wasn't practical to look into what was said or discussed in the branch after that period of time.

I listened to three calls Mr B made to Lloyds in February 2023. One call was looking into whether two credits had been received – this isn't part of Mr B's complaint. One other call was handed off to Lloyds' overdraft team.

On this relevant call, Mr B wanted to know why his overdraft limit had been cancelled. Lloyds' call handler explained why – i.e. the lack of credits into the account, and that Mr B hadn't used the overdraft. I consider she clearly set out Lloyds' decision and why it had been taken.

I didn't find her aggressive (as Mr B alleges). At one point she did ask Mr B to allow her to speak, but that was done in a professional manner. So, I considered Lloyds handled the calls reasonably.

Fees and interest:

I can see Lloyds records show that Mr B raised complaints about these aspects in 2018, 2019 and 2021. And Lloyds sent final responses each time. So, it isn't possible that this aspect of Mr B's complaint can be looked at again by Lloyds, or this service.

In summary, I'm satisfied Lloyds handled Mr B's complaint reasonably and while my decision will be disappointing for Mr B, I'm not going to ask the bank to do anything here.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 31 May 2024.

Martin Lord
Ombudsman