

The complaint

Mr and Mrs F complain Lloyds Bank PLC did not respond to their letter they sent it.

What happened

Mr and Mrs F say they have two joint accounts with Lloyds – a Standard Saver account and an International Money Market Call account. As they currently live abroad, they wrote two letters to Lloyds, asking it questions. The separate letters were sent to separate Lloyds sites. One letter, sent to what I will refer to as site A, told Lloyds they wished to transfer some money from their Standard Saver account into the International account, and they asked it how they could do this. The other letter, sent to what I will refer to as site B, said that they now wish to open an International deposit account and transfer some of their funds from their Standard Saver account into it. They asked how they could do this and if there was a transfer limit.

Mr and Mrs F say they received an incomplete response after 73 days to the letter sent to site A, but the letter sent to site B was never responded to. They said they contacted Lloyds' customer service by email since there was no reply, but they didn't get a response. Mr and Mrs F made a complaint to Lloyds.

Lloyds partially upheld Mr and Mrs F's complaint. It said it was delayed in responding to their complaint and the acknowledgement letter wasn't sent until 1 November 2023, when it should have been sent within three days of receiving the complaint. Lloyds said the Standard Saver account was dormant as it hadn't been used for more than three years, and it sent out a letter in 2019 to let Mr and Mrs F know the account would be made dormant and how to avoid this, but as it never heard from them, the account was blocked. It said Mr and Mrs F would have to reactivate this account before they could make any transaction. Mr and Mrs F brought their complaint to our service.

Our investigator did not uphold Mr and Mrs F's complaint. He said although Mr and Mrs F have questioned why their account became dormant when there were regular credits into the account, dormancy happens when no customer initiated transactions happen. The regular credits are not deemed to be customer initiated, so he couldn't say Lloyds acted unfairly.

Mr and Mrs F asked for an ombudsman to review their complaint. They made a number of points. In summary, they said they still don't have the answers to the questions they asked on the letter they sent to site B, Lloyds told them that their branches can't respond to customer letters, but this is incorrect as they had received a response from a branch, and the issue of the dormant account is not part of their complaint.

As my findings differed in some respects from our investigator's, I issued a provisional decision to give both parties the opportunity to consider things further. This is set out below:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint."

Mr and Mrs F have made a number of points to this service, and I've considered and read

everything they've said and sent us. But, in line with this service's role as a quick and informal body I'll be focusing on the crux of their complaint in deciding what's fair and reasonable here.

As Mr and Mrs F have confirmed the issue of the dormant account is not part of their complaint, then I won't consider this point. I've considered what Mr and Mrs F have said about Lloyds telling them incorrect information about branches not responding to customer letters. But I'm not persuaded that Lloyds have told Mr and Mrs F incorrect information here, and I'll explain why.

I note from the response on the letter Mr and Mrs F provided to our service dated 10 August 2023 it shows a different address to write to from Mr and Mrs F's original 25 July 2023 letter to site A. The response from Lloyds says "To contact us about this letter either visit any branch or write to us at" (different address to the Lloyds address on the letter Mr and Mrs F sent). The response from Lloyds does not say write to us at any branch, and my understanding is that the address on the letter from Lloyds is not a branch address.

I'm persuaded the confusion here is that the letter dated 10 August 2023 shows the same town as the letter that Mr and Mrs F sent to Lloyds. I asked Lloyds about their procedure when a customer sends a letter to a branch. Its confirmed that its policy is if a letter is received by a branch is that the branch would ensure the letter is sent to the appropriate department to be dealt with.

So I'm not persuaded the branch did actually respond to the letter from Mr and Mrs F, as it would appear they forwarded the letter to a service centre which happened to be in the same town as the branch. The letter is not signed by branch staff, instead it shows the "Account Closure Unit" at the end of the letter.

I've investigated the letter which Mr and Mrs F sent to site B which appears there was no response sent to Mr and Mrs F. This was sent to a different division of Lloyds, and Lloyds confirmed this division has made reference to other systems they use, which are different to the systems other divisions of Lloyds use to service accounts.

I can confirm that site B did receive Mr and Mrs F's letter dated 25 July 2023. And it will come as a great surprise to Mr and Mrs F that Lloyds did actually respond to their email. The evidence provided by Lloyds shows an email response to Mr and Mrs F's letter on 4 August 2023 at 11:20am.

But after studying this response, I noted the email address that Lloyds sent the email to was not the exact email address that Mr and Mrs F included in their letter. If Lloyds were responding by an email, I would expect them to respond to an email address they hold on its systems, and not an email address shown on a customer letter for security reasons.

So I asked Lloyds to send me evidence of Mr and Mrs F's registered email address on their system. Lloyds sent me the email address history for Mrs F, and it said it doesn't hold an email address for Mr F, but it can arrange to update their systems with Mr F's email address if he'd like them to.

As Lloyds have told me its site B uses different systems to it, I asked for evidence that it held the email address for Mrs F that they sent the email to. Lloyds have said site B were unable to provide evidence that the email it sent Mr and Mrs F was an email address registered for Mrs F. They have concluded that the email they sent on 4 August 2023 was sent to a wrong email address and that this email would have been returned to them as undelivered.

I can see the email address that the site B Lloyds division had sent the email to starts in the

same way as Mrs F's registered email address starts with her forename and surname, but the rest of the email is not the same. Based on this, I do think it's likely the email would have been returned to Lloyds as being undelivered. In the extremely unlikely event someone else had the exact same forename, surname, and email provider that Lloyds have sent the email to, I can confirm that there were no account specific details on the email. Only Mr and Mrs F's surname was contained in the body of the email itself.

So Lloyds did after all respond to Mr and Mrs F's questions on 4 August 2023. I would have forwarded this email to Mr and Mrs F so they could get the answers that they say they still haven't received. But Lloyds have confirmed to me that since it sent this email, its procedures have changed, so the information in the email isn't up to date anymore. But if Mr and Mrs F want a copy of this email so they can see what Lloyds response was sent to them, then they can ask our investigator for a copy of this, and he will be able to forward this on to them.

Lloyds have said that its procedures now mean that as things have recently changed, Mr and Mrs F would now be able to open a fixed term deposit using the funds from their Money Market Call account only (no outside funds). While it didn't specify any transfer limits which Mr and Mrs F asked for as part of their 25 July 2023 letter, its provided a website address for how Mr and Mrs F can open the account.

I also note that Mr and Mrs F were given transfer limits in their final response letter which relate to what transfer limits are for telephone banking/online banking/branch. I will copy the website address in the cover letter for this decision so Mr and Mrs F will be able to see that they can also open an International Instant Saver account as well as a fixed term deposit. They will be able to complete an online application by copying the address into a browser and selecting the account they want to open.

While I'm satisfied that Lloyds didn't ignore the letter Mr and Mrs F sent them, it has not provided evidence it sent the email to a registered email address to Mr or Mrs F. And if it received a notification that the email wasn't delivered, then it missed an opportunity to check the email address it sent the email to, and correct this and send the response again, but to the correct email address.

So I do think that Mr and Mrs F were caused distress by this. It appeared Lloyds didn't respond to them, and they will no doubt be very frustrated to find out that a response was sent to an unregistered email address, denying them the opportunity to have the telephone appointment that the response offered them (the procedure has since changed).

So I've considered what would be a fair outcome for this complaint. While there were other channels which Mr and Mrs F could have used to help mitigate the delays here, I'm still satisfied that compensation is due to them for what happened. I've been provided no evidence from Lloyds that the email it sent to Mr and Mrs F on 4 August 2023 was to either of their registered email addresses. So this caused distress when they didn't get a response.

I'm persuaded that Lloyds should pay Mr and Mrs F £150 compensation for not sending the email to the registered email address for Mrs F, and the distress this will have caused them when it appeared Lloyds ignored their letter. So it follows I intend to ask Lloyds to put things right for Mr and Mrs F."

I invited both parties to let me have any further submissions before I reached a final decision. Lloyds accepted the provisional decision. Mr and Mrs F made a number of points they wanted me to consider. In summary, they clarified they sent the two letters to the addresses shown on their separate bank statements, so if any letter had been sent to a wrong department it should have been forwarded promptly to the correct department.

Mr and Mrs F said that the email address that Lloyds sent its answer to has not been valid for the last eight years (even though Lloyds have current email addresses for both of them on their files). They said email providers never allow for the registration of identical email addresses, so when another person registers a same email address, the email provider will warn them that registering that email address is not possible. They said when an email is sent to an invalid address, the sender is instantly notified of non-delivery, so they feel Lloyds would have been informed the email was not delivered, and disregarding this was negligent and damaging to them. They said in effect, Lloyds did ignore their letter.

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'd like to thank Mr and Mrs F for clarifying that the email address that Lloyds sent its answer to has not been valid for the last eight years, and I agree that Lloyds should forward correspondence it can't respond to, as soon as possible to the relevant department (although I'm mindful any postal delays would be out of its control). So as Mr and Mrs F have pointed out that nobody else would have been able to create this email address, I'm satisfied that this email wasn't sent to another person, and I agree with Mr and Mrs F that on the balance of probabilities Lloyds would have received a not delivered email response (or something similar).

While Mr and Mrs F have said Lloyds have both of their email addresses on file, as I said in my provisional decision *"Lloyds sent me the email address history for Mrs F, and it said it doesn't hold an email address for Mr F, but it can arrange to update their systems with Mr F's email address if he'd like them to."*

While I'm not persuaded that Lloyds ignored Mr and Mrs F's letter, as I've provided the email evidence of Lloyds' response, I can empathize with Mr and Mrs F why they feel it has had the same effect on them – that they didn't receive a response to this letter due to the wrong email address being used. It is for this reason that I awarded them compensation for what happened here as I've noted their strength of feeling of how this affected them. And I'm still satisfied for the reasons I gave in my provisional decision that £150 is appropriate for what happened here.

Putting things right

In my provisional decision I said I intend to uphold this complaint. I said I intend to ask Lloyds Bank PLC to pay Mr and Mrs F £150 for distress. I'm still satisfied this is a fair outcome for the reasons given previously.

My final decision

I uphold this complaint. Lloyds Bank PLC should pay Mr and Mrs F £150 for distress.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F and Mrs F to accept or reject my decision before 1 July 2024.

Gregory Sloanes
Ombudsman