

The complaint

Mr M complains that Lloyds Bank PLC refused to issue him with a new chequebook, and of the way he was treated when he revisited his local branch after he had been told by Lloyds that he was entitled to a new chequebook.

What happened

Mr M visited his local branch of Lloyds in January 2023 to request a new chequebook. He was told that he was not entitled to one because of his credit record. He complained to Lloyds, who in their final response letter (FRL) said that the advice he had been given was wrong and that he was entitled to a new chequebook. They paid him £20 compensation, and told him that feedback had been given to the branch.

Mr M visited the branch again in February 2023 with a view to getting his chequebook. However he was again told he wasn't entitled to one. He objected to being told to wait as there was no one in the queue, and showed the bank staff the letter from Lloyds. He started recording on his phone and said that the bank staff were racially prejudiced against him. He asked a member of staff for their name who refused to give it to him if he was "going to play the racist card", and they then took off their name badge.

Mr M complained to Lloyds again after this visit and said he still hadn't received his chequebook.

Lloyds issued a further FRL. They agreed that their member of staff had made an inappropriate comment. But they said that they don't allow customers to record members of staff in the bank and that this might have escalated the situation. They also said that Mr M refused to sit down when he was asked to do so. In respect of the contactless card, they explained that Mr M had exceeded the total cumulative amount he was allowed to spend under the card. They paid him a further £30 and ordered a new chequebook for him.

Subsequently Lloyds wrote to Mr M to say that, because of his behaviour in the branch, they were closing his account. They gave him two months' notice of this and I understand that his account has now been closed.

The matter was passed to me for an Ombudsman's consideration. I asked Lloyds for further information, which they have provided.

I issued a provisional decision. In it I said that I thought that Mr M hadn't been treated fairly that Lloyds hadn't handled the incident within their own guidelines. I proposed that they pay a further £500 compensation for Mr M's distress and inconvenience.

Lloyds have confirmed that they have no further evidence to provide on this case.

They have updated their notes to reflect that we now feel a further £500 is due in compensation to Mr M.

Mr M accepted my provisional 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.

The following were my provisional findings:

"Firstly I can understand Mr M's frustration when he first visited the branch and was told he wasn't entitled to a chequebook. As the adviser who reviewed his complaints told him, there was no reason why he couldn't have a chequebook. Though I'm not clear why the adviser couldn't have arranged to have a chequebook issued for him then and posted to him (as they later did) or made one available to collect in branch.

I can also understand that if Mr M couldn't get his chequebook when he visited the branch again, this would have caused additional frustration for him. Although I've seen his video, this doesn't show what the staff told him when he first entered the bank. I do think it is likely that he was at least told to wait and that he was frustrated at this because no one was waiting in front of him.

Lloyds have in response to my request sent a statement by the branch manager after having talked to one of the members of staff concerned. I would observe that the branch manager still asserts that Mr M was not entitled to a chequebook because of his credit record. This is despite the response by Lloyds to Mr M's original complaint and that the branch had been given feedback. However the statement sets out in much more detail than appears in Lloyd's investigation record and contact notes, allegations of Mr M's conduct when he was in the branch. But I don't think that, a year after the event, I can safely rely on this as evidence of what happened at the time. That's because prior to Mr M's case being passed to me for a decision, Lloyds hadn't taken steps to collate statements from branch staff who were present during the incident complained about. Lloyds' investigation of Mr M's complaint was based solely on the short video he sent them that only captured part of the event – and they deemed that sufficient to conclude Mr M's behaviour warranted his accounts to be closed.

So, Lloyds didn't rely on any statement from the branch to justify their criticisms of Mr M's behaviour and their decision to close his account. What I've noted is that despite Lloyds consistently maintaining Mr M's behaviour was so serious as to warrant the closure of his account; their staff didn't follow Lloyds' internal guidance in dealing with angry, abusive or threatening behaviour. This required contacting the security incident helpline or if the staff members were not comfortable doing that, reporting it to a team manager. Lloyds has told us that an incident report form should have been completed, but it wasn't in this case. They've also been unable to evidence that branch staff raised the incident with a manager.

Lloyds has relied on the video that Mr M made of his contact with the branch staff at the time. They say that the filming was inappropriate and they regard this as aggressive behaviour by Mr M. They also say that there are signs in the branch saying filming isn't allowed, though I've not been shown any evidence of those signs.

While I've taken on board Lloyds' comments, I do have to question their assertion that filming an interaction is "aggressive". I bear in mind that it is common these days for people to record interactions on their phones especially if they feel the need to produce evidence. I appreciate that banks have to protect their customers and their private data, and I can understand why it would be deemed inappropriate and not allowed to happen. But I don't think that the fact of filming in itself can justify labelling a customer's behaviour as aggressive – especially when this isn't listed as an example of aggressive behaviour within their own policies for dealing with abusive behaviours.

As regards the video itself, I can see that Mr M was agitated, but it would not be surprising if he was upset, having already been told he was entitled to a chequebook, to be denied that again. Lloyds say that Mr M strayed into an area reserved for staff, but I don't think the video shows this. If he did set foot in the area this could only have been for a second and he quickly withdrew. The video only lasts 39 seconds. It doesn't show any of the previous interaction, any warning by the staff or any abusive language. It does show the member of staff using the phrase "not if you're going to play the racist card" which Lloyds do say was inappropriate.

Turning now to the FRLs, the first one was dated 12 April 2023. Mr M had made a complaint and had sent a copy of the video to Lloyds. At that stage Lloyds was willing to issue a new chequebook and they paid him £30 compensation. They then followed this with a further FRL of 24 April which advised Mr M that "Due to your behaviour and the fact we can't meet your banking needs we have made the decision to close your accounts." No explanation has been given as to why Lloyds changed their mind, they just said that "Mr M contacted us again via email as he remained unhappy with his complaint."

I don't think that Lloyds have handled the situation at all well. I've noted that they do feel that their staff member made an inappropriate comment. But they do not think this was racist or discriminatory. And they say the fact that the staff member removed their badge was in reaction to Mr M starting to record members of Lloyds' staff. But their handling of this incident wasn't carried out in accordance with their own guidelines, and the evidence suggests Mr M's account was only closed because/after Mr M persisted with his complaint.

Lloyds has accepted that they provided Mr M with poor customer service. And having considered everything, I think they unfairly labelled Mr M as being aggressive. Our service doesn't have the power to make a finding of discrimination under the Equality Act 2010, as that's something only the Courts can do. But taking everything into consideration I'm not persuaded Lloyds acted fairly when they closed Mr M's account given the limited information they relied on, and the fact this decision only came after Mr M continued to explain why he was unhappy.

Mr M believes that what Lloyds has done goes beyond poor customer service. He's felt discriminated against – and I can understand why he might feel this way. I do think Lloyds didn't take his complaint seriously enough and haven't quite grasped how their actions have made Mr M feel. And it's for that reason, I consider they need to do more to put things right.

So, I'm going to order Lloyds to pay compensation to Mr M for his distress and inconvenience. Mr M has told us that he has mental health problems and I thank him for being honest about this. But Lloyds don't have any record of being advised of this by Mr M, so I can't say that they should have considered this when dealing with him in the branch or later with his complaint. Taking into account all the circumstances of this case and my findings, I propose to require Lloyds to pay a further £500.

I understand that the position concerning the contactless card was resolved."

As neither party has commented on or put forward any further evidence concerning my provisional findings, I remain persuaded by them. Those findings are now final and form part of this final decision.

Putting things right

Lloyds should pay Mr M a further £500 compensation.

My final decision

I uphold the complaint and require Lloyds Bank PLC to provide the redress set out under “Putting things right” above.

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

Ray Lawley
Ombudsman