

## The complaint

Mrs L complains Lloyds Bank PLC hasn't told her how an email address was added to her banking profile by a potential fraudster or how the fraudster obtained her banking details.

## What happened

Mrs L said she received a call on 26 January 2024 from an individual stating they were from Lloyds. This individual asked her to put a four digit code into her phone.

Mrs L recognised this as potentially fraud, ended the call and contacted Lloyds by phone. Lloyds stopped her debit card and assured her the account had not been compromised. Lloyds advised her to visit a branch so it could remove an unknown email which had been added to her banking profile.

Mrs L subsequently visited a branch of Lloyds, but it was not able to remove the email address. Lloyds explained in its response the branch appear to have not understood it could change Mrs L's email address to a 'dummy' email address and this meant she had to contact the fraud team at Lloyds again unnecessarily.

Mrs L complained to Lloyds about a third party being able to add an email address and attempt to set up internet banking, explaining she wanted to know how this had happened.

Mrs L received a final response from Lloyds to her complaint in April 2024. Lloyds offered compensation of £100 as it recognised it could have provided a better service when she visited the branch and explained it would be providing feedback to the branch about this.

Lloyds did not uphold Mrs L's complaint that they had left the account vulnerable by allowing the email address to be added.

Lloyds confirmed the email address was added when the third party attempted to set up online banking. Lloyds said it took the necessary steps to restrict online banking channels for Mrs L and deactivated the profile when she contacted it. Lloyds also confirmed it had removed the email address and explained whilst it has fraud and security prevention systems in place, it is not always able to prevent attempted fraud against customers. Lloyds said it was unable to confirm how a third party had managed to access Mrs L's personal details as this could have happened a number of ways.

Mrs L was not satisfied with the response from Lloyds. She said she wanted a full explanation as to how the email had been added to her profile any why Lloyds allowed a fraudster to attempt to open internet banking in her name. She also said she doesn't think Lloyds have sufficiently investigated how her details were provided to a fraudulent third party and raised a complaint with our service.

Our investigator thought Lloyds had done enough in its response to Mrs L. They explained it isn't always clear how fraudsters gather enough information to attempt fraud and agreed with Lloyds this could have happened in a number of different ways.

Our investigator reasoned Lloyds had taken appropriate action to stop any fraud once it became aware of the potential compromise. They also thought the £100 compensation was fair and reasonable in the circumstances considering the service Mrs L received in branch.

Mrs L explained how concerned she was about this and that she was worried someone now could get access to her account. In response to our investigator's recommendation, Mrs L

said she still wants to know exactly how someone was able to add an email address to her profile and attempt to set up online banking.

As Mrs L rejected our investigator's recommendation, her complaint has been passed 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.

Where evidence is incomplete, inconclusive or contradictory, I have to make decisions on the balance of probabilities – that is, what I consider is more likely than not to have happened in light of the available evidence and the wider surrounding circumstances.

I appreciate how strongly Mrs L feels about her complaint. Although I may not mention every point raised, I have considered everything but limited my findings to the areas which impact the outcome of the case. No discourtesy is intended by this, it just reflects the informal nature of our service.

I was sorry to hear of the distress this matter has caused Mrs L. I was, however, pleased to read Mrs L detected the potential scam and took the correct action to avoid losing any money, sadly this is not always the case, and I am glad she understood what was happening and reported this fraud attempt straight away.

Having considered the complaint and Mrs L's response to our investigator's recommendation. I consider the outstanding issue here is whether Lloyds have done enough to investigate Mrs L's complaint and provide the information she has requested.

I understand Mrs L wants to know how exactly someone obtained enough information to attempt this fraud and how a third party email could be added to her profile.

Dealing with the email first, I am satisfied from the evidence the email was added during the fraudulent application for online banking. To apply for internet banking, the fraudster would have needed to obtain personal details related to Mrs L's banking. Unfortunately, on balance, I do not think how the fraudster obtained these details is something we, or Lloyds, can resolve. I appreciate Lloyds have said there are numerous ways these details could have been obtained, and I agree with this, but it might be helpful if I provide some context.

The Financial Conduct Authority (FCA) provides details on its website about various methods fraudsters use to obtain personal information and banking details. Such methods include '*Phishing*' scams, website scams and card scams. All of these methods, and others, are approaches fraudsters use to obtain get details about an individual to attempt scams. I have enclosed a link to their website here should Mrs L wish to understand more about these methods <https://www.fca.org.uk/consumers/banking-online-account-scams> .

As this demonstrates, how fraudsters obtain information it is often outside of the banks scope of influence. In summary, it is most often not something the financial business would know.

I can see Lloyds have accepted its service could have been better in relation to Mrs L's experience in branch, and I think the £100 already paid is, on balance, fair and reasonable for this inconvenience in the circumstances. I consider it is also in line with awards we would make in similar cases.

For the reasons I have given, I do not uphold Mrs L's complaint.

I appreciate this is not the outcome Mrs L was hoping for, but I trust I have explained my reasoning and provided some useful context as to why I do not think Lloyds needs to take further action.

**My final decision**

For the reasons I have given, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 15 November 2024.

Gareth Jones  
**Ombudsman**