

The complaint

W, who is represented by Mr G, complains Lloyds Bank PLC is holding it liable for two transactions it didn't carry out or authorise.

What happened

W has a business account with Lloyds Bank with a debit and a credit card. W has a number of accounts elsewhere too.

Mr G says he lost a card holder in which he kept at least three credit cards issued by three different business including a credit card issued by Lloyds Bank. He was abroad at the time. Mr G says someone tried to use the credit cards he lost and tried, amongst other things, to use the credit card issued by Lloyds Bank to purchase an item costing over £9,500 to which a non-sterling transaction fee of over £280 was applied.

Mr G contacted Lloyds Bank – and the other two businesses – to cancel W's cards and to check that the £9,500 purchase and associated fee hadn't gone through. Mr G says when he spoke to Lloyds Bank that the agent told him they couldn't see any payments their end and that the £9,500 plus purchase and associated fee hadn't gone through. In fact, the purchase did go through, and the fee was applied. Mr G disputed the transactions and asked Lloyds Bank for a refund. He also complained about the fact that Lloyds Bank's agents had given him conflicting information.

Lloyds Bank looked into W's claim and agreed that Mr G had been given conflicting information – for which it arranged to pay £200 to compensate for the trouble and upset caused – but didn't agree that the disputed transactions should be refunded. W was unhappy with Lloyds Bank's response and ultimately complained to us.

One of our investigator's looked into W's complaint and said that they didn't think Lloyds Bank had acted unfairly holding W liable as there were genuine transactions before and after the disputed transactions. In addition, our investigator said Mr G had told Lloyds Bank that he'd written his PIN on a piece of paper which was in his wallet at the time. Mr G didn't agree with our investigator's recommendations saying that the only genuine transactions he'd done had occurred before the disputed transaction and that he hadn't written down his PIN. He said he had a letter from Lloyds Bank confirming the PIN and that letter was in his house and hadn't been lost and that was the piece of paper he was referring to. Our investigator said that the evidence suggested otherwise, and at Mr G's request this complaint was referred to an ombudsman for a decision. W's complaint was, as a result, passed on to me.

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.

Lloyds Bank has sent us recordings of the calls Mr G had with them at and around the time he reported the two transactions he's disputing. Mr G has sent us video recordings of agents from Lloyds Bank talking to him about the disputed transactions as well as a screenshot showing the transactions on his account at and around the time. Mr G says the video recordings show that Lloyds Bank told him repeatedly that the £9,500 plus purchase he's disputed was authorised but was stopped from going out of W's account and / or that it was refunded. And that the screenshots show the transactions that were genuine all happened before his wallet was stolen rather than some before and some after.

I've listened to the call Mr G made to Lloyds Bank on 4 May 2023 – this is the call in which he first reported that he'd lost his card holder. The call is at times hard to follow. I am, however, satisfied that there were things that Mr G said that weren't correct – for example, he said he hadn't used the credit card for a couple of months. Equally, I'm satisfied that Mr G wasn't the only one to say things that weren't correct. Lloyds Bank agents said things that weren't correct too. So, I think it's important that I say what I think has actually happened in this case – because that goes directly to the question of whether or not Lloyds Bank has fairly held W liable – and to deal with the issue of incorrect information separately as that doesn't go directly to the question of whether or not Lloyds Bank has fairly held W liable.

Having listened to the call Mr G made to Lloyds Bank on 4 May 2023 – and subsequent calls – I'm satisfied that Mr G told Lloyds Bank a transaction for £28.45 was a genuine transaction and that he lost his card holder that same night or the following day. I'm also satisfied that he told Lloyds Bank that he couldn't remember what had happened to his card after the £28.45 transaction – and that at one stage he says he was a little drunk / intoxicated. In addition, I'm satisfied that he told Lloyds Bank that he'd used his PIN and card twice in order to withdraw cash whilst he was abroad. And importantly, I'm satisfied that Mr G told Lloyds Bank that all of his credit cards had the same PIN and that he had written his memorable information on a "small paper" – so that "small paper" might have had his PIN written on it – and that "small paper" might have been in his card holder as he couldn't find that "small paper" now. That's important because in one of the calls I've listened to an agent asks Mr G if there is any reason why he writes down his PIN – he simply says that it's in case he forgets his PIN – and an agent mentions that he's been told that he mustn't write his PIN down in the past when he's received a previous fraud refund. Based on that information alone, I'm satisfied that it wouldn't have been unfair of Lloyds Bank to hold Mr G liable for the two transactions he'd disputed as it would have had grounds to say he'd been grossly negligent. Lloyds Bank has, however, also said that there's no evidence that the two transactions were fraudulent and in coming to that conclusion relied on the fact that the two disputed transactions took place before transactions Mr G has confirmed were genuine, the fact that Mr G at one point said he'd bought an expensive watch and a number of inconsistencies in his story.

Both parties have sent in evidence showing what time the two disputed transactions took place and what time the genuine transaction took place – including evidence about time zone differences. Based on everything that I've seen, I agree that the evidence Lloyds Bank has sent in on the timings isn't as conclusive as has been suggested as there are some discrepancies. However, based on what I've already said, I don't agree that this ultimately matters as there's enough in this case to show that Mr G was grossly negligent. In short, I agree with our investigator – albeit for narrower reasons – that Lloyds Bank didn't act unfairly in this case. I also agree that the £200 that Lloyds Bank has paid to compensation for the distress and inconvenience the incorrect information its agents gave caused is fair and

reasonable. That means I agree that this isn't a complaint we should be upholding as I don't agree Lloyds Bank has ultimately acted unfairly.

My final decision

My final decision is that I don't think Lloyds Bank PLC acted unfairly when it held W liable for the two disputed transactions so this isn't a complaint I can uphold.

Under the rules of the Financial Ombudsman Service, I'm required to ask W to accept or reject my decision before 6 November 2024.

Nicolas Atkinson
Ombudsman