

## **The complaint**

Mr F complains about Lloyds bank PLC closing his account after an incident in branch. He is also unhappy with the customer service he received from Lloyds.

To put things right Mr F wants his account reopened and compensation for the trouble and upset he has been caused.

## **What happened**

The detailed background of this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

I'm aware that Mr F is unhappy about how Lloyds dealt with his Data Subject Access Request. However, Lloyds have told this service that it hasn't had an opportunity to investigate this and have yet to issue a final response on this particular point. So, I won't be making any further comment on anything to do with Mr F's DSAR.

This decision will focus on Mr F's complaint about the closure of his account and customer service he received in branch.

Mr F had a current account with Lloyds.

Due to security issues with his post as a temporary measure Mr F changed his contact address to a Lloyds branch.

On 25 August 2023, Mr F visited a branch intending to make transfers from his account. Mr F couldn't remember his PIN number to complete the transactions, so branch staff asked him to provide further identification as part of its verification process.

In response, Mr F produced his driving licence, but staff noticed that the address on it didn't match the one held on the bank's systems. Lloyds also said that it didn't have a copy of Mr F's signature on file. So, the bank staff told Mr F they weren't able to process his transactions. Mr F then left the branch and returned later with his passport. Unfortunately, Mr F's passport had expired so, it wasn't accepted by the branch. Due to Mr F not being able to satisfy the bank's verification process staff told Mr F that they couldn't process his transactions.

Mr F was very unhappy staff wouldn't accept his documents and argued that they should have been accepted as he'd used them to open his account and he believed Lloyds already had them stored on their systems. He also said that his correspondence address was the branch address, so he thought the staff were being unreasonable declining to make his transactions. Mr F refused to leave the branch after it had closed and insisted that the branch made his payments. Staff explained to Mr F that they would call the police and warned him that his behaviour was unacceptable. Staff also activated their security body cameras.

In an attempt to diffuse the situation, a senior member of staff at the branch authorised

Mr F's payments. Mr F then left the branch before the police arrived. Following this, Lloyds sent Mr F a warning letter about his behaviour, which said that failure to treat bank staff with respect could lead to Lloyds making the decision to close his account.

On 20 September 2023, Mr F went into the Lloyds branch again and requested the footage from the body camera that had been used by the staff member during his previous visit. Following this visit due to Mr F's behaviour staff submitted a further abusive customer report.

As a result of what happened during Mr F's branch visits, Lloyds made the decision to close Mr F's account immediately. Mr F wasn't happy with the bank's decision and raised a complaint. He said staff had behaved illegally, were colluding, and covering up their actions. He said that it was unfair of Lloyds not to have accepted his identification, which was valid, and not allow him access to his own money.

Mr F said he was also unhappy about Lloyd's complaint procedures – that he couldn't be put through to their complaints team directly. And says he believes that they had not investigated his complaint properly.

In response, Lloyds said it hadn't done anything wrong and had closed Mr F's account in line with the terms and conditions of the account. The bank said it had initially declined to make Mr F's payment because Mr F's passport was out of date, it didn't hold any signature on file for him and the address on his driving licence didn't match the one recorded on the banks systems. Lloyds explained that the payments Mr F wanted to make were only made at the discretion of the manager in order to diffuse the situation in branch.

Lloyds also said that it had previously agreed to change Mr F's to the branch address but only as a temporary measure and that Mr F had declined to provide an up to date address. Overall, Lloyds said it hadn't provided Mr F with poor service.

Unhappy with this response, Mr F brought his complaint to our service where one of our investigator's looked into what had happened. The investigator asked both Lloyds and Mr F for more information about what had happened in branch. And asked Mr F to provide copies of the documents he took into branch.

The investigator reviewed everything and said Lloyds hadn't done anything wrong when it had declined to process Mr F's transactions in branch and closed his account. The investigator also said that complaint handling wasn't a regulated activity that this service could consider. He also said that whilst he thought some of the calls Mr F had with Lloyds could have been handled better, he didn't think Lloyds needed to do anything further to resolve Mr F's complaint.

Mr F disagreed with the investigator's view and said he had reached a biased outcome. Mr F maintained that the bank had closed his account unfairly, broken the law and should have accepted his identification.

As no agreement could be reached the matter has come to me to decide.

### **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 appreciate Mr F was disappointed by the investigator's opinion and I can see that he has provided a detailed response to what the investigator said about his complaint. I'd like to

reassure Mr F that I've considered the whole file and what's he's said – to us and Lloyds. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. No discourtesy is intended by me in taking this approach.

Firstly, I want to address Mr F's comments about whether Lloyds's actions were legal. And his suggestion that there should be a criminal investigation into the actions of the staff who refused to process his transactions and closed his account. Mr F has made some serious allegations against Lloyds – that staff are abusing their positions and taking part in criminal behaviour. I want to assure Mr F that I've not seen any evidence that this is the case.

We've asked Lloyds to provide information about its rationale for closing Mr F's account and declining his transactions. I would expect it to set out for our service the full details of all its interactions with Mr F when asked to do so. And the events which led to it closing Mr F's account. I've not seen any evidence that would suggest it hasn't done so. And I don't think as Mr F seems to fear, that there is anyone within Lloyds who is deliberately misleading, colluding or withholding information from this service.

I should also explain that our service is an informal alternative to the courts. I can't make a finding as to whether the law has been broken, and I don't need to in order to decide this complaint. I want to make it clear that this service is not the regulator of financial businesses, and we don't police their internal processes or how they operate generally. That includes what it does to ensure the security of its customers' accounts.

We can't make Lloyds change its policies or procedures either. That's the role of the regulator, The Financial Conduct Authority. My remit here is to decide whether I think Lloyds acted fairly and reasonably when applying those policies and procedures in the individual circumstances of Mr F's complaint.

### *Transactions in branch*

I can understand that it would have been frustrating for Mr F to visit a branch of Lloyds only to be told he couldn't make the transfers he wanted to do, because he couldn't provide the identification required.

I've looked at Lloyds' Identification and verification processes. These confirm identification is required for completing transfers or withdrawals which is what Mr F was requesting on 25 August 2023. They confirm chip and pin is always requested. Mr F couldn't remember his pin, so where this isn't available, identification can be used. Mr F's driving licence didn't match the address on Lloyds records and his passport was out of date. Furthermore, Lloyds didn't hold his signature on its file, so this couldn't be checked. All of this means Mr F wasn't able to pass Lloyds' verification process.

Mr F hasn't disputed his passport was out of date or that the address on his licence was different to the one held by the bank. But he argues that both documents were good enough to confirm his identity. He's also pointed out that his correspondence address was a Lloyds branch address, and that he signed a piece of paper in branch to compare against any signature the branch held. But Lloyds account terms say it can refuse a payment request if its security controls require additional identification. I'm satisfied that's what happened in this case. So, although frustrating, I'm not persuaded Lloyds acted unfairly when it requested identification in line with the requirements outlined and initially declined to proceed with Mr F's withdrawal.

Mr F has pointed out that Lloyds eventually allowed him to make the transaction despite him not satisfying Lloyds identification processes. But I can see this was done at the senior manager's discretion to de-escalate Mr F's behaviour in branch, which I don't find unreasonable. This doesn't mean I have to therefore conclude Lloyds did anything wrong or treated Mr F unfairly.

### *Closure of Mr F's account*

I'll next deal with Lloyd's decision to close Mr F's account. Lloyds have said that when Mr F visited their branch on 25 August 2023, and 20 September 2023 his behaviour was threatening and intimidating towards staff, which caused them to make the decision to close Mr F's account.

Lloyds have provided a detailed account of Mr F's behaviour in branch on those two occasions, which they say was unacceptable, and meant they had to call the police and activate body worn security devices during Mr F's first visit. Mr F was asked by the investigator to provide his own recollection of his behaviour in branch. Mr F maintained he hadn't done anything wrong when he was in branch.

In circumstances such as this, where testimonies of the complainant and respondent business sit in contradiction with one another, I must decide which of the two versions of events I feel is most likely to have happened, on balance and in consideration of all the information available to me.

Mr F says the bank staff have colluded and are covering up their actions. But in this instance, I find Lloyds' position to be the more persuasive. I find the detailed recollections of Lloyds branch staff regarding Mr F's visits are unlikely to be inaccurate. The witness statements from the members of Lloyds staff show that they found Mr F's behaviour in their words intimidating, challenging and made them feel uncomfortable. They say Mr F refused to leave the branch on 25 August 2023, after it had closed. The police were also called, and staff decided the situation warranted staff to wear a security body camera. As such I feel it's more likely than not that when Mr F visited the branch on 25 August 2023 and 20 September 2023 his behaviour was threatening as Lloyds contend.

Lloyds terms and conditions allow them to close an account immediately if that account holder behaves in a threatening or abusive manner towards their staff. Lloyds closed Mr F's account without notice. Given the evidence I've seen, I'm satisfied that Lloyds were entitled to close Mr F's account without notice, because of his being threatening towards their staff. So, I can't conclude Lloyds treated him unfairly and I won't be directing Lloyds to reopen Mr F's account, as he would like.

### *Complaint handling*

Mr F has said that he is unhappy with how his complaint was handled by Lloyds – namely that when he called Lloyds he wasn't able to be transferred directly to the complaints team. And doesn't believe Lloyds complaint team have done a proper job investigating his complaint.

This Service does not deal with complaints about complaint handling. To explain further, there are limitations to what types of complaint this service can look into. Broadly speaking, we can only look into activities that are regulated by the Financial Conduct Authority (FCA). The FCA's Dispute Resolution (DISP) rules outline what activities fall within this Services' jurisdiction (DISP 2.3). But complaint handling is not one of the activities listed.

I've listened to the the available calls between Mr F and Lloyds's. Mr F wanted to be put through to the complaints team but didn't have their number so he rung Lloyds customer service number. When he got through the advisor explained how Lloyds complaints process worked. And that he'd have to wait for his complaint to become active and someone to contact him. Unhappy with this he asked to be put through to a manager.

I can see that the investigator has already set out Lloyds complaint process, so I won't repeat it again here. Where complaint handling forms part of a customer's complaint, then we can take into account complaint handling when looking at the overall customer experience. In this case, I can't say the issues which Mr F has raised about Lloyds's complaint handling process are an extension of the issues which relate to regulated activities, so I'm not going to comment on whether Lloyds should have put Mr F's call through to its complaint team.

In summary, taking everything into account, although I recognise Mr F's strength of feeling and frustration, I don't think I can reasonably conclude Lloyds has done anything wrong. So, I won't be asking Lloyds to do anything more to resolve Mr F's complaint.

### **My final decision**

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 29 November 2024.

Sharon Kerrison  
**Ombudsman**