

The complaint

Mr E says Lloyds Bank PLC (“Lloyds”) allowed a third party to open an account in his name and make unauthorised transactions.

What happened

The facts of this case are well known to both parties, so I won’t repeat them in detail.

In summary, Mr E complains Lloyds allowed his son-in-law to open a savings account to run alongside his current account and make big transfers via online banking without his permission. He says he was in the hospital as an in-patient from 2014 – 2017 and this is when the unauthorised activity took place. Mr E also complains he asked for regular paper statements for his accounts and printouts of his statements from time to time, but Lloyds refused. Mr E would like his concerns properly investigated.

Lloyds says it has conducted a thorough investigation and decided not to uphold his complaint. It says the savings account was opened by Mr E in branch with his ID, before the period he said he was in the hospital. It also says the large transactions Mr E raised as fraudulent were all carried out in branch, with ID verification and a branch managers approval. So, it hasn’t found any evidence of fraud on his account. It says Mr E’s online banking was de-registered in 2012, and there has been no online activity since then. Lloyds said it has always sent him statements by post as requested, and it also provided him copies whenever requested. Therefore, Lloyds says it hasn’t done anything wrong, so it hasn’t upheld his complaint.

Our investigator considered this complaint and also decided not to uphold it. Mr E didn’t agree so the complaint has been passed to me for 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.

I’d like to reassure both parties that although I’ve only given an overview of what happened, I’ve read and considered everything we’ve been provided in its entirety.

Generally speaking, Lloyds is required to refund any unauthorised payments made from Mr E’s account. Those rules are set out in the Payment Service Regulations 2017. Mr E has said he didn’t carry out the transactions in dispute. I then must give my view on whether I think Mr E did authorise the transactions or not.

Mr E says his son-in-law opened a savings account to run alongside his current account without his permission while he was unwell in hospital. And he is unhappy Lloyds allowed this to happen. I have relied on the evidence supplied by Mr E regarding when he was and wasn’t staying in a hospital facility. Lloyds has provided evidence to show that Mr E’s first savings account was opened in July 2010, before he was in hospital, in a branch which would’ve required ID to verify him. It has then shown that this account was changed to an

'*Advantage Savings*' account in May 2011, also at a time Mr E was not in hospital. Lloyds usual process is to check a consumer's ID when opening or managing an account – and I have no reason to doubt this would've been checked when he came into branch on these two occasions.

Lloyds has provided evidence that another savings account was opened in December 2017. The notes provided by Lloyds from the meeting show that his ID was verified, and his details were updated before the account was opened. I have no evidence to suggest the ID verification was not carried out correctly. Again, this was done during a period Mr E was not in hospital as per the evidence he has supplied. So based on the evidenced I have, I am not persuaded either of these saving accounts were opened by anyone else but Mr E.

Mr E has complained about several large transactions from his accounts which he didn't authorise. Lloyds has investigated all the large transactions and listed them as the following:

Date	Amount	From - To	Lloyds comments
16/10/2014	£20,000	Transferred into Mr E's Advantage Saver account from his current account	Branch notes record Mr E being in a branch meeting and deciding to move this money to benefit from a preferential interest rate from his savings account
04/12/2014	£47,248.97	Mr E has annotated his statement to say that this amount was paid to his mortgage provider to pay off his remaining mortgage.	Lloyd's evidence suggest this was made in branch in person after Mr E's ID was checked.
26/05/2015	£23,285.78	Transferred out of his standard savers account.	Branch notes show Mr E came into branch on 23 May 2015 to close this account and transfer money to another account as he had no need for it. As per the branch notes his current UK drivers' licence was checked.
13/10/2016	£16,000	Transferred out of his savings account to another account in his name.	Made in branch in person with a branch managers' authorisation after Mr E's ID was checked.
05/10/20	£50,000	Internal transfer into Mr E's savings account	Made in branch. Purpose was to fund the outgoing payment being made on 07/12/20
07/10/20	£47,690	Payment made to a third-party company	Made in branch in person with a branch managers authorisation after Mr E's ID was checked.

Having considered the nature of all these payments and the branch notes from the time, I am not persuaded these transactions were unauthorised. I say this because the evidence shows they were not made online, they were made in branch which would've required the customer to be verified first. Although I wasn't present at these meetings to know for sure if these checks were done, this was usual process for Lloyds and most other banks, and I think on balance it is more likely than not his ID was checked every time. Specially since most of the payments are high-value payments which needed a branch manger's authorisation. I've also seen the dates of Mr E's admittance into hospital, and I am satisfied that he was not in hospital at the time of any of this disputed activity. So, without any stronger evidence to support what Mr E has said, I think it's more likely than not Mr E carried out these transactions himself.

I've also seen the notes from Lloyds showing that he had requested paper statements, and these had been regularly sent to his recorded address. There are also branch notes from several instances when Mr E came to ask for a copy of his statements. The notes record these were printed and provided to him. Again, I wasn't there at the time to confirm, but without any stronger evidence to the contrary, I think it is more likely that these were provided to him as requested.

Overall, given all the evidence provided I am not persuaded anyone else other than Mr E opened and closed the savings accounts in his name and made the transactions in dispute. I also think Lloyds had provided him paper statements as requested. So, I don't think Lloyds has done anything wrong here and I am not upholding this complaint.

My final decision

I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 8 January 2025.

Sienna Mahboobani
Ombudsman