

## **The complaint**

Miss A is unhappy Lloyds Bank PLC trading as Lloyds Bank (Lloyds) put a payment on hold while doing further investigation. She is also unhappy with the customer service provided

## **What happened**

In February 2024, Miss A tried to make a payment to a new payee, however the payment was put on hold as it had been flagged for additional checks. She contacted Lloyds to verify the payment but it asked for her to gather further information about the payee before they would release the funds. A few days later, she provided the requested information and was told the payment should now go through. However, when Miss A tried again, it was still unsuccessful.

Miss A contacted Lloyds again, unhappy that the payment still hadn't gone through. She then had to repeat information that had previously been provided and was asked to gather further information again.

When Miss A called Lloyds later that day to provide the further information requested, she complained, stating that Lloyds were being deliberately difficult and should have released the payment when she first requested. She said the issues with the payment being delayed were causing her severe stress and anxiety. The payment then went through successfully.

Lloyds apologised and acknowledged that while it was correct in flagging the payment, the customer service was not as expected. It offered her £75 as an apology. Miss A wasn't satisfied with this so brought the complaint to us.

While our investigator was reviewing the complaint, Lloyds offered a further £75, bringing the total compensation to £150. Our investigator thought that this was a fair offer for the trouble and upset caused.

Miss A didn't agree, she said the situation had caused a great deal of stress and had affected her mental health, so the complaint was 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.

I understand how strongly Miss A feels about this complaint. She has raised a number of points and although I may not mention every point raised, I've considered everything she has said 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.

From the information provided from Lloyds, I can see that there were genuine reasons for flagging the payment. It was identified that further fraud and scam checks were needed. Lloyds asked Miss A a number of questions and asked her to contact the recipient's representative directly to confirm the account details. While I understand that this was

frustrating for Miss A, I believe Lloyds were trying to protect her and her money. Therefore, I don't see any issue with the payment being blocked while further questions were being asked.

Miss A confirmed the account details requested 4 days later. During this call, the agent indicated that there shouldn't be a problem going forward and to make the payment again. Unfortunately, when Miss A tried again, it was still blocked.

Miss A then called Lloyds again. She was again questioned on the payment. She was asked questions she had already answered and was asked to double check certain information again with the recipient. I can understand why this would frustrate Miss A and agree this was poor customer service.

I'm pleased to see that Lloyds have acknowledged that the service provided was not up to standard. It stated that call handlers couldn't see previous notes on the system and agreed that one agent had given misleading information by saying the payment should now go through. Banking systems automatically detect transactions requiring further fraud checks, so the agent couldn't guarantee that there would be no further issues. I agree that there had been failings with how this was dealt with and I think the process could have been a lot smoother.

I understand Miss A was particularly unhappy about the length of time it took for the payment to be sent to the recipient. But as I mentioned earlier, I consider Lloyds had valid reasons to flag the payment for additional checks. Miss A responded to Lloyds 4 days after its request for further information and although Miss A did encounter further delays due to the poor customer service, the payment did leave the same day.

I think the offer of £150 reflects the serious but short-term stress and frustration Miss A experienced. Lloyds did provide poor customer service but things were put right within a reasonable time. I therefore don't think Lloyds needs to do anything further.

### **My final decision**

Lloyds Bank PLC trading as Lloyds Bank, should pay the £150 offered if it has not done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 9 December 2024.

Sarah Green  
**Ombudsman**