

## **The complaint**

Mr H complains Lloyds Bank PLC ("Lloyds") closed his savings accounts shortly after accepting his application and gave him two months' notice to close his current account.

Mr H says Lloyds' actions have caused him substantive distress and inconvenience. And to put things right Lloyds should pay him £250 compensation.

## **What happened**

The details of this complaint are well known by both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my 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.

Having done so, I have decided not to uphold this complaint. I'll explain why.

Banks in the UK, like Lloyds, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means banks need to restrict, or in some cases go as far as closing, customers' accounts.

Lloyds is entitled to close an account just as a customer may close an account with it. But before Lloyds closes an account, it must do so in a way, which complies with the terms and conditions of the account. The terms and conditions of the account, which Lloyds and Mr H had to comply with, say that it could close the account by giving him at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

Lloyds decided to close Mr H's existing current account with two months' notice. Lloyds has explained and provided me with supporting evidence as to why it acted in this way. Having carefully considered this, I'm satisfied Lloyds did so in line with its terms and conditions - and did so fairly. I note Mr H decided he wanted it closed sooner as he had opened an account with another provider. So, it appears Mr H was able to move his banking needs to another provider within the notice period, which would likely have mitigated substantively any disruption and inconvenience.

Lloyds also closed two of Mr H's saving related accounts after they'd only been opened a little while beforehand. Lloyds say this was due to secondary checks it carried out. Having reviewed Lloyds' reasons and evidence, I'm satisfied it acted fairly. So, I don't think Lloyds has done anything wrong in closing these accounts in the way it did.

I can understand why Mr H would want a detailed explanation for why Lloyds acted in the way it did. But Lloyds is under no obligation to do so. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially

sensitive information. Some of the information Lloyds has provided is information I consider should be kept confidential.

As I don't think Lloyds have done anything wrong, I see no basis in which to award any compensation for the distress and inconvenience Mr H has said he suffered.

### **My final decision**

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 14 April 2025.

Ketan Nagla

**Ombudsman**