

## **The complaint**

Mr R complains that Lloyds Bank PLC (Lloyds) haven't taken appropriate steps to protect his current account from potential fraud. He says they took too long to update the signature on his account and the blocks they've put in place make it difficult for him to manage his account. He also complains about the poor customer service he has received when he tried to raise a complaint.

## **What happened**

The details of this complaint are well known to both parties, but to be helpful I've provided a short summary of what's happened so far.

In 2022, Mr R was the victim of fraud on a business account he held with Lloyds. There is no evidence of fraud on his personal, current account. However, Mr R decided he wanted some precautions to be put in place, to add further security to his personal account.

One of the precautions Mr R took was to update the signature on the account. This was important to Mr R because he was concerned that the fraudster had potentially used his signature when committing fraud on his business account. When Mr R tried to do this with Lloyds there were some issues, which meant Mr R's new signature was removed from his personal account, and the old signature remained. Mr R spent time at the branch trying to get this sorted, alongside calling Lloyds and having several discussions. Eventually he raised a complaint.

Other precautional measures that were put in place at Mr R's request were blocking indicators on the account, which limited the use of online banking or telephone banking. Instead, it required Mr R to attend the branch and show identification to complete basic banking activities. Mr R complained to Lloyds that this was causing him problems, because it was inconvenient and time consuming when he needed to manage his account.

Lloyds originally responded to Mr R's complaint in November 2022, alongside some other issues he's raised about his business account. They paid him £50 for the issues he'd faced when trying to update his signature. They agreed that they had made mistakes on several occasions and apologised for this.

But, Mr R remained unhappy and brought his complaint to this Service.

One of our investigators reviewed the matter and thought £100 should be paid to Mr R for the issues with updating his signature. Mr R didn't agree to this. Lloyds then decided to investigate the complaint again, this time solely looking at the issues Mr R had encountered with his personal account. They paid Mr R a further £100 in June 2024. This still didn't satisfy Mr R because he felt other issues hadn't been fully addressed, so he asked for this Service to look at the case again.

A different investigator considered the case again and agreed that the £100 paid by Lloyds was fair for the service issues Mr R had encountered relating to updating the signature. He also explained that the block on the account was in place for Mr R's protection – but if it was

causing him problems, he could have it removed. Finally, he explained that he couldn't comment on issues arising from how Lloyds handled Mr R's complaint because this isn't something our service can consider because it isn't a regulated activity.

Mr R remained unhappy and asked for an ombudsman to decide the case. As such, the complaint has been passed 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.

Mr R has provided long, detailed submissions to this service. I've carefully read all the correspondence, but my decision won't address every point or comment raised. I mean no discourtesy by this, it simply reflects the fact our Service is an informal dispute resolution service, set up as a free alternative to the courts. So, in deciding this complaint I've focussed on what I consider to be the heart of the matter, rather than considering every issue in turn.

### **Updating Mr R's signature on the current account**

As a result of the fraud that happened on Mr R's business account, Mr R decided to update his signature on his current account. But this took around 6 months to get sorted. Mr R encountered several problems, including the wrong signature being deleted. He had to visit his local branch multiple times, which he said was time consuming and inconvenient. Thinking about the impact this had on Mr R and the time it took to get sorted, I'm satisfied that £100 is fair compensation. So, I'm not asking Lloyds to do anything further on this point.

### **Blocks and indicators on Mr R's current account**

Whilst I can appreciate Mr R's frustrations with the blocks on the account and the difficulties he faces when trying to manage his account - he asked for these to be put in place. There is no evidence that any fraud has occurred on his personal account and as such, I don't find that Lloyds has done anything wrong here. They've acted in line with Mr R's instructions and added these as an additional security measure. They've also said they'd be happy to remove them if Mr R wishes to have them removed.

I understand Mr R doesn't feel he can remove these, because he can't be sure whether he will be the victim of fraud again. But that doesn't mean Lloyds have done anything wrong, or that they should do more to support Mr R. He needs to decide whether he is willing to take the risk of having the blocks removed, to be able to bank more effectively and efficiently.

### **How Lloyds have handled the complaint**

I note Mr R has said that Lloyds haven't handled his complaint well and that it's taken them a long time to investigate it. Lloyds acknowledged this in their final response letter in June 2024. Whilst I cannot give compensation to Mr R in isolation for this – because complaint handling isn't within our remit – I have thought about the overall impact the customer service provided by Lloyds has had on Mr R.

There's no doubt that Mr R has encountered issues and he has had to chase Lloyds on several occasions. But I think Mr R's main concern is that he will be the victim of fraud again and he wants to avoid this from happening.

The steps Lloyds have taken on Mr R's personal account have been done to satisfy his concerns about a potential situation, rather than an error Lloyds has made. Whilst I agree,

Lloyds hasn't been very helpful in sorting this for Mr R, they've recognised this and paid him compensation. Because of this, I don't think they need to do anything more.

Overall, Lloyds took too long to update Mr R's signature and at times they didn't provide good customer service. But, taking everything into account, I think £100 compensation is fair. Lloyds have paid an additional £50 to Mr R (this was paid to him in November 2022), so it follows that I think £150 is more than reasonable in the circumstances and I don't require Lloyds to do anything further.

### **My final decision**

For the reasons I've explained above, I do not uphold this complaint.

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

Rachel Killian  
**Ombudsman**