

The complaint

Mr C complains that Lloyds Bank Plc repeatedly blocked his credit cards whilst abroad.

What happened

Mr C says that, whilst on holiday, both of his Lloyds credit cards were blocked several times. He says this caused him significant inconvenience and financial hardship and required him to make long, expensive phone calls. Mr C says that Lloyds compensated him for the calls, but not his additional expenses incurred as a result of balance transfers. He adds that not all of his concerns have been addressed by Lloyds causing additional distress.

Lloyds says that payments from 27 July 2024 were flagged for additional security checks and Mr C was required to confirm they were genuine. It says there are now no blocks on his cards, and it has paid £200 towards Mr C's phone costs. However, Lloyds says it will not cover the cost of the balance transfers as this was Mr C's decision. It did, however, pay him a further £40 for system issues when lifting one of the blocks.

Following a further review, Lloyds decided that £200 was a more reasonable sum for the issues when lifting one of the blocks. It therefore offered Mr C a further £160 and said it would look at any evidence that this caused him further phone costs.

Our investigator found the revised offer from Lloyds was reasonable.

Mr C responded to say, in summary, that he did not accept the new offer. He says Lloyds refused to acknowledge its mistake and he clarified that the balance transfers were necessary solely due to the blocked cards, not a personal choice as intimated by Lloyds. Mr C added that, despite assurances that his card was unblocked, it was declined multiple times causing him inconvenience and embarrassment. He said his most recent declined transaction was in November 2024.

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.

Lloyds has now reconfirmed that there are no blocks on Mr C's cards. It acknowledged that a payment was declined in November 2024 but explained that this was due to the nature of the attempted transaction, rather than an ongoing block on the card.

With regard to the initial declined payments, I'm satisfied that Lloyds was entitled to flag the transactions for additional security checks and did nothing wrong by blocking the accounts until it was satisfied the transactions were genuine. I accept that this required Mr C to make

expensive calls from abroad, but I find Lloyds acted fairly by compensating him for his call costs.

I've also seen evidence to show that, after Lloyds agreed to lift the blocks, there was an issue with its systems which meant one of the cards remained blocked. I can understand that this would have caused Mr C further inconvenience and embarrassment, but I am satisfied that Lloyds' revised offer of £200 for this is reasonable.

Finally, I acknowledge that Mr C incurred further expense by carrying out a balance transfer at the time, but as I don't consider Lloyds did anything wrong by blocking the accounts initially, I can't conclude it should compensate Mr C for the cost of the transfer.

In summary, Lloyds has agreed to pay Mr C a total of £400, which I consider to be fair and reasonable in all the circumstances of the complaint.

My final decision

My decision is that Lloyds Bank Plc should pay Mr C an additional £160 if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 3 February 2025.

Amanda Williams
Ombudsman