

The complaint

Mr H complains that Lloyds Bank PLC unfairly blocked his account and also complains about how it then dealt with his complaint.

What happened

Mr H says he tried to transfer £10,000 from his Lloyds account to another of his accounts he held with a different business. The transfer was blocked, and Mr H says that was due to a voice recognition issue. He says he then attended a Lloyds branch and waited an excessive amount of time for the block to be lifted. Mr H says in summary that letters were not correctly acknowledged or answered and says he has spent about 30 hours dealing with this complaint. He would like appropriate compensation as well as an apology with a detailed explanation about what has taken place.

Lloyds says it's entitled in line with account terms and conditions to block an account or payment where it has security or fraud concerns. It says it required Mr H to attend a branch but accepts he was required to stay too long. Lloyds has paid £50 compensation for that part of the complaint.

Mr H brought his complaint to us, and our investigator upheld the complaint in part. The investigator thought Lloyds was entitled to block the account and the £50 payment appropriate. The investigator thought Mr H had spent some time trying to resolve other matters which could have dealt with more appropriately. Those issues included Mr H not receiving a call back and being transferred to an incorrect department. The investigator recommended Lloyds pay a further £150 compensation.

Lloyds has agreed to pay the compensation.

Mr H doesn't accept that view and says the compensation doesn't go far enough which equates to less than £5 per hour.

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 come to the overall view that Lloyds should increase its compensation offer to a total of £200 which I can see it's fairly agreed to pay.

There is no need for me to repeat the complaints in detail as they are well known by the parties and I intend to concentrate on what I consider to be the main points. I have also listened to the relevant telephone call and have read all of Mr H's detailed submissions to us as well as to Lloyds.

I am satisfied that Lloyds, in line with agreed account terms and conditions, is entitled to block a payment or transfer where it has security or fraud concerns. I am sure Mr H appreciates that fraud is a major problem for banks and building societies and that they must

have measures in place to protect its and its customers money. But I appreciate this was Mr H's money and that it was him on the telephone call. It is not our role to tell a business what its security measures ought to be, but I appreciate Mr H's frustration here to be told Lloyds systems had issues with voice recognition and his age. So, I don't think Lloyds acted unfairly or made a mistake in those circumstances by requiring Mr H to attend a branch and I can't see how Lloyds staff on that telephone call could log a complaint where it had identity concerns.

There is no dispute that Lloyds did not resolve the issue, when Mr H attended a branch, in a timely manner. I appreciate Mr H was waiting for about an hour in a branch for an issue that ought to have resolved far sooner. But I can see that Lloyds has apologised and paid £50 compensation. I am satisfied that compensation payment is fair and reasonable and I have not seen any evidence that Mr H was caused any financial loss as a result of that excessive wait.

The next part of the complaint is about other issues that took place after the branch attendance. I accept that in summary Mr H spent time on telephone calls, that a call was not returned and that calls were transferred to an incorrect department. I don't think it matters if Mr H didn't receive a specific acknowledgement from Lloyds following correspondence as it clear he did receive response from Lloyds. But I accept Mr H would have been caused inconvenience and distress in dealing with these additional issues. So I agree with the investigator that Lloyds should pay further compensation.

The only real issue for me to decide is the level of that award. I don't consider that what took place justifies compensation in the range Mr H suggests and I hope it assists Mr H to know we don't award compensation based on an hourly rate. I don't think the additional complaint points resulted in any financial loss that I have seen evidence of. I am satisfied that overall £150 compensation is fair and reasonable, in line with the type as well as amount we would direct for this type of complaint impact.

Putting things right

Lloyds should pay Mr H a further £150 compensation which would be in full and final settlement of this complaint.

My final decision

My final decision is that I uphold this complaint in part and order Lloyds Bank PLC to pay Mr H a further £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 19 February 2025.

David Singh
Ombudsman