

The complaint

Mr and Mrs C are unhappy with Lloyds Bank PLC's ('Lloyds') handling of their request to cancel a continuous payment authority.

What happened

In late 2023, Mr and Mrs C said they were tricked into signing up to a continuous payment authority ('CPA'). They said they were trying to pay for parking but think they fell victim to a 'car park scam'. The merchant took two payments totalling just under £60 in October and November 2023. When Mr and Mrs C noticed the transactions, they got in touch with Lloyds to dispute them. Lloyds agreed to refund the transactions.

Mr and Mrs C said they noticed that the merchant still appeared in the subscriptions section of their Lloyds app. Unhappy with this, they asked Lloyds to cancel the subscription, or CPA. Lloyds said that was not possible – it could only place a block on the CPA which would last for 13 months. It said that Mr and Mrs C would need to cancel the CPA with the merchant, and they could come back to Lloyds in 13 months to ask them to renew the block for a further 13 months. It said it had to be done this way as the CPA between Mr and Mrs C and the merchant was for a subscription that only the merchant could cancel. They also paid them £40 due to their branch not responding to their concerns.

Mr and Mrs C contacted the merchant. It said that it would not take any further payments. But Mr and Mrs C remain concerned that further payments will be taken as they say it remains in their subscriptions on their Lloyds account. They expressed that they are getting to an age where they do not want to have to stay on top of suspending payments to the merchant on their account, when they think it should have been cancelled by Lloyds already. They also do not want the reminder on their account that they fell victim to a scam merchant.

Unhappy with Lloyd's response, Mr and Mrs C escalated their concerns to our service. One of our investigators looked into what happened and recommended that Mr and Mrs C's complaint be upheld. They said, in short, that Lloyds ought to be responsible for ensuring that the CPA is cancelled, and that it was unfair to ask Mr and Mrs C to remember to do this themselves every 13 months. Mr and Mrs C accepted this – but Lloyds did not. Lloyds said that the 13 months is the VISA timeline for a CPA block, and they cannot change this. They liaised with Mr and Mrs C to try to remove the subscription – but Mr and Mrs C said that the point of contact they were given was simply telling them to unblock and re-block the CPA, which they had done previously. So, as no agreement has been reached, the case has been passed to me to decide.

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.

When Mr and Mrs C got in touch with Lloyds, they were clear that they had been tricked into signing up to the CPA and that they wanted it to be cancelled. They, understandably, do not want open ended agreements in place against their account which would allow the merchant to come back at a later date and take further payments. So, after asking Lloyds to remove the CPA, they were unhappy to be told that only the retailer could remove it. Having reviewed online reviews, it does appear that there are a lot of people who claim to have

been tricked into signing up to CPAs with the merchant in question – without any intention of doing so. And so, I can understand why Mr and Mrs C do not trust that the merchant will honour their cancellation.

Mr and Mrs C want the matter resolved and the CPA cancelled but Lloyds are telling them that there is nothing more they can do. Lloyds say because of the way the payment authority was set up, they can only place a block on the CPA rather than cancel it entirely, and so the onus will be on Mr and Mrs C to reset the block arrangement with them every 13 months.

Lloyds have said that Mr and Mrs C needed to cancel the CPA with the retailer – which they have tried to do – and that they do not have a way to permanently remove the CPA so they have not made an error. I do not think Lloyds have acted fairly or reasonably here. I think Mr and Mrs C have been clear about the fact they were tricked into signing up to a CPA, that they did not want to pay the merchant and they had tried to resolve it with the merchant, but were concerned that the merchant was a scammer who would request further payments. But Lloyds has not been clear or sure on how its own processes work and Mr and Mrs C understandably do not want to have to remember to replace a block every 13 months. Lloyds need to conclude matters now.

I think Mr and Mrs C made a perfectly reasonable request to Lloyds. It is clear the retailer is subject to numerous reviews online that would give rise to concerns that they could call for further payments, even if they have said they would not. It is clear that Mr and Mrs C do not wish to authorise any further payments – so there is no authority for Lloyds to release any further payments under the CPA. So, I don't think Lloyds need Mr and Mrs C to ask them to place a block on the retailer every 13 months – it should be able to confirm to Mr and Mrs C that the authority for any payments under the CPA has ended and no further payments will be allowed or authorised. I think it should have done this from the start of Mr and Mrs C's request.

I do appreciate that cancelling CPAs is not a straightforward process for card providers. Unlike other types of repeating payments like standing orders and direct debits, a CPA is set up without much of a 'paper trail' as they are usually created online or on the phone. If a merchant wants to change the amount or frequency of the payments, they do not strictly *have to* give advance notice. This means there is not always a clear record of CPAs on their systems. Without a clear record of when the next payment is due, it can make it difficult for Lloyds to stop a payment. But, in line with the relevant regulations, it is simply not good enough for a card provider to say that there is nothing more they can do. They are required to cancel CPAs under the Payment Services Regulations. Lloyds should find a workaround such as monitoring Mr and Mrs C's account and refund any payments from the cancelled CPA, then trying to recover the money from the merchant in their own time, without disadvantaging Mr and Mrs C.

Putting things right

Lloyds must confirm to Mr and Mrs C that the authority for any payments under the CPA has ended and no further payments will be allowed or authorised.

My final decision

I uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Mrs C to accept or reject my decision before 18 July 2025.

Katherine Jones
Ombudsman