

The complaint

Mrs M complains that Lloyds Bank plc changed the e-mail address for her credit card account to her partner's e-mail address. Mrs M's partner is also involved in her complaint.

What happened

I issued a provisional decision on this complaint earlier this month in which I described what had happened as follows:

"Mrs M's partner changed the e-mail address for Mrs M's car insurance policy with Lloyds Bank to his e-mail address in February 2022. The e-mail address for Mrs M's credit card account with Lloyds Bank was changed to her partner's e-mail address by Lloyds Bank in October 2023. That led to Mrs M's partner receiving information about Mrs M's credit card account which they say put a strain on their relationship. Mrs M and her partner went to a branch in February 2024 to find out what had happened. The e-mail address for Mrs M's credit card account was changed back to her e-mail address and a complaint was made to Lloyds Bank.

Lloyds Bank sent a final response letter to Mrs M a few days later but declined her complaint. It said that it has a datafix process that looks at a customer's information for all the products that they hold and makes sure that all the details it has for all products are matching and, as Mrs M's e-mail address had been updated in February 2022, the datafix updated the e-mail address on her other products. It said that the process was outlined in its terms and conditions.

Mrs M wasn't satisfied with its response so a complaint was made to this service in July 2024. The complaint was looked at by one of this service's investigators who, having considered everything, was satisfied that Lloyds Bank had handled the matter in a reasonable way. She said that Lloyds Bank correctly followed its process, in line with the terms and conditions of Mrs M's agreement.

Mrs M's partner, on behalf of Mrs M, has asked for this complaint to be considered by an ombudsman. He says that Lloyds Bank sent personal financial data belonging to Mrs M to the wrong person, causing Mrs M considerable distress and anxiety and put a massive strain on her long-term relationship with him, and she should be compensated by Lloyds Bank for that. He says that this is a clear data protection breach and he'll be reporting it to the Information Commissioner's Office".

Provisional decision

I set out my provisional findings in that provisional decision and said:

“Lloyds Bank says that a datafix updated the e-mail address on Mrs M’s credit card account in October 2023 to the new e-mail address that had been provided for her car insurance in February 2022. It says that the process is outlined in its terms and conditions. The terms and conditions say:

“We may share your personal information with other companies in the Lloyds Banking Group. These companies may use different brand names ... We share the information to make sure our records are accurate. For example, if you hold products with different brands in the Group, and you update your information with one of them, we may share this information with the other brands you hold products with”.

I don’t consider that sharing information with other group companies would authorise Lloyds Bank to change a customer’s contact information for all of their products to the most recently provided information, without authorisation from the customer. There will be many situations in which a customer may change their contact information relating to one part of their dealings with Lloyds Bank but don’t want to change their contact information for all of their dealings with it. I consider that a change to a customer’s contact information would require authorisation from the customer.

If a datafix is to be used by Lloyds Bank to look at a customer’s information for all the products they hold with it and identifies information that doesn’t match, I consider that it would be reasonable to expect Lloyds Bank to check with the customer what contact information they want it to use.

I don’t consider that it was fair or reasonable for Lloyds Bank to have changed the e-mail address for Mrs M’s credit card account in October 2023 to the e-mail address that her partner had provided for car insurance in February 2022, about twenty months earlier. As a result of changing the e-mail address for Mrs M’s credit card account to her partner’s e-mail address without her authorisation, it has sent financial information about Mrs M’s credit card account to her partner. That has caused distress and inconvenience for Mrs M and her partner has described the strain that it put on their relationship. I find that it would be fair and reasonable in these circumstances for Lloyds Bank to pay £250 to Mrs M to compensate her for the distress and inconvenience that she’s been caused”.

Subject to any further comments or evidence that I received from any of Mrs M, her partner and Lloyds Bank, my provisional decision was that I intended to uphold this complaint. I said that I intended to order Lloyds Bank to pay £250 to Mrs M to compensate her for the distress and inconvenience that she’s been caused.

Mrs M’s partner says that Mrs M is pleased that I agree that Lloyds Bank is at fault for taking the actions that it did but he’s somewhat surprised at the small amount of compensation that I’m proposing that it should pay her as it’s nowhere near commensurate with the distress the data breach caused them. He says that if the Information Commissioner’s Office thinks that Lloyds Bank is guilty of a data breach, then it could be liable for a hefty fine yet it’s only being made to pay a very paltry amount as a penalty. Lloyds Bank has agreed to my proposed resolution.

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.

This service offers an informal dispute resolution service and tries to resolve complaints by customers about financial businesses by looking at what it considers to be fair and reasonable in the circumstances. This service has no regulatory or disciplinary role over those businesses, so I'm unable to require Lloyds Bank to change the way that it conducts its business and my role isn't to punish Lloyds Bank if it's done something wrong.

I've made no finding as to whether or not Lloyds Bank's actions constitute a data protection breach. Mrs M's partner said that he would be reporting a data protection breach to the Information Commissioner's Office. It would be for the Information Commissioner's Office to decide whether there has been a data protection breach and, if there has been, what the consequences of that should be.

I've concluded that Lloyds Bank hasn't acted fairly and reasonably and that it should pay £250 to Mrs M to compensate her for the distress and inconvenience that she's been caused. I'm not persuaded that a higher award of compensation is justified in these circumstances.

Putting things right

I find that it would be fair and reasonable for Lloyds Bank to pay £250 to Mrs M to compensate her for the distress and inconvenience that she's been caused. I'm not persuaded that it would be fair or reasonable in these circumstances for me to require it to pay more than £250 compensation to Mrs M or to take any other action in response to her complaint.

My final decision

My decision is that I uphold Mrs M's complaint and I order Lloyds Bank plc to pay £250 to Mrs M to compensate her for the distress and inconvenience that she's been caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 15 January 2025.

Jarrold Hastings
Ombudsman