

## **The complaint**

Mr H complains about Lloyds Bank PLC (Lloyds) when they blocked his account, and the subsequent service they provided.

## **What happened**

In June 2024, Mr H was having issues with some online transactions which were flagged by the computer systems used by Lloyds. Therefore, Mr H contacted Lloyds by telephone who investigated the issue and attempted telephone security with Mr H. After Mr H gave the answers he gave, Lloyds said that the account had been blocked and that Mr H would have to attend a UK branch of Lloyds with ID to regain access.

Living abroad, Mr H could not conveniently visit a branch so logged a complaint about the block, and the telephone call in question which Lloyds investigated. They upheld the telephone call aspect saying they were sorry they didn't offer better service, and awarded Mr H £30. In terms of the block, Lloyds didn't uphold this aspect saying that the transactions were flagged for security checks in line with their fraud prevention measures. Lloyds ended their letter saying they were also paying Mr H £75 to cover call costs from calling from abroad.

Mr H remained unhappy and brought the complaint to this service and an investigator looked into it. During this time, Mr H expressed his wish to close his accounts with Lloyds but soon after, Lloyds wrote to Mr H saying they were closing his accounts after they performed a review; Lloyds gave Mr H 60 days to find alternative banking arrangements and they intended to send a cheque with the proceeds to Mr H's UK address on file.

Our investigator then issued their view in which they said they wouldn't be asking Lloyds to do anything further as Lloyds had followed process in restricting the account when faced with the circumstances of transactions being flagged, and the telephone security issue.

Mr H remained dissatisfied with our investigator's view, also saying that the address to which Lloyds were planning to send the cheque was a previous address and was no longer viable, plus living abroad made any visit to the UK very inconvenient and costly. Mr H suggested that Lloyds send the proceeds to an account he held abroad but Lloyds declined. It was then agreed that an ombudsman would review Mr H's complaint.

## **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.

I have looked very carefully at all the information Lloyds have provided to see if it has acted within its terms and conditions, followed due process, and to see if it treated Mr H fairly. I've also looked through what Mr H supplied including his correspondence following our investigator's view.

I was sorry to learn that what should have been a straightforward experience of making transactions and progressing through a telephone security check turned into a prolonged complaint. Part of my role is to determine whether what took place was reasonable, whether Lloyds followed the process correctly and whether Mr H did all he could as a customer to work with them.

What's not in question is that Lloyds could have provided a better level of service within the telephone call. And I'm pleased to see they recognised this with an apology and compensation.

Regarding the initial restrictions, Lloyds is fully entitled, and are required to have in place, compliant due diligence procedures as they've explained. This is standard practice across the financial services industry, and Lloyds' actions were in line with common practices adopted by financial institutions worldwide to protect their customers.

That Lloyds' procedures say that a customer must visit a UK branch with ID is something that Lloyds are entitled to design and stipulate, given UK-based bank accounts are intended for UK residents. Moreover, I do believe that continued usage of UK-based bank accounts by customers abroad can make problems more likely, such as what prompted this complaint.

In terms of compensation, looking through this service's lenses of fairness and reasonability, I find the total of £105 offered by Lloyds as appropriate. I know Mr H has commented the £30 aspect is derisory for months of not being able to access his accounts but Lloyds were clear from early in the complaint what Mr H was required to do to lift restrictions; so I can't hold Lloyds responsible for this timescale.

In terms of a resolution, I was aware that Lloyds intended to send a cheque for the proceeds of Mr H's accounts to the UK address they had on file. But following efforts by our investigator, I've learnt from a recent email from Lloyds that the funds reside in an internal account with them, awaiting dispatch. This is subject to Mr H providing certified proof of photographic ID, certified proof of address, and certified proof that the funds are being transferred into an account in the exact same name as the closed Lloyds accounts. Lloyds have also asked for the full name and address of the receiving bank, the beneficiary name, the account number, the BSB number, and the preferred currency, as Lloyds will transfer in sterling unless requested otherwise.

I regard Lloyds' proposed remedy as fair in the circumstances, plus I do acknowledge that Mr H did offer to do something similar in the past, but I would like to add something. As Mr H is required to utilise a document certification service of a company abroad, that Lloyds must provide Mr H with as much detail and clarity as he requires so that when the certified paperwork arrives with Lloyds, it is accepted without issue, and there are no further delays. If Lloyds cannot correspond directly with Mr H by email for security reasons, they can do this via our investigator.

Finally, once Mr H obtains the certified paperwork required, I would respectfully suggest he sends this to Lloyds via a secure postal method, perhaps one which confirms receipt at Lloyds' end.

### **My final decision**

For the reasons I have given it is my final decision that the complaint remains upheld. I require Lloyds Bank PLC to:

- Ensure they have paid Mr H £105 in total.

- Provide specific details to Mr H of their certification requirements so he can fulfil the request and have his funds transferred promptly to an account of his choosing.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 25 February 2025.

Chris Blamires  
**Ombudsman**