

## The complaint

Mr B complains that Lloyds Bank Plc has declined to reimburse payments that he says were unauthorised.

## What happened

While Mr B has a representative in bringing this complaint – for simplicity I’ll refer to Mr B in relation to comments made by him and on his behalf.

Mr B is disputing several payments totalling over £10,000 which took place in November 2022. Mr B says he didn’t notice the payments at the time which is why he didn’t report them to Lloyds until February 2024.

Lloyds declined to reimburse these on the basis that they were reported more than 13 months after the payment date.

The investigator didn’t uphold Mr B’s complaint – in summary they said that they thought Lloyds had acted fairly in declining his claim on this basis.

Mr B didn’t agree, he said:

- It wouldn’t be reasonable to expect Mr B to have checked his debit card payments between 5-18 November 2022 because he didn’t have an active card at the time. And Lloyds shouldn’t have processed payments before the card was activated.
- Mr B has significant health issues, which in practice meant that he had significantly less opportunity to scrutinise his bank statements than other customer’s.

The investigator addressed these points and explained their opinion remained the same. As an agreement couldn’t be reached, the matter has been passed to me for a decision by an ombudsman.

## 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’m not upholding this complaint for similar reasons to the investigator.

As Mr B is disputing the payments as unauthorised, the relevant law here is the Payment Services Regulations 2017 (PSRs). Reg 74 *“Notification and rectification of unauthorised or incorrectly executed payment transactions”* explains that the payment service user (here Mr B) is entitled to redress for certain transactions *“only if it notifies the payment service provider without undue delay, and in any event no later than 13 months after the debit date, on becoming aware of any unauthorised or incorrectly executed payment transaction.”*

Mr B first reported the payments which took place in November 2022 to Lloyds in February 2024, so he has notified Lloyds later than 13 months from the relevant debit dates. This means that the starting point is that Lloyds is entitled to decline a refund on this basis.

I've considered Mr B's points as part of determining a fair outcome here. Mr B says he hadn't activated his new card, that was used to make the disputed payments, at the time they were made and so Lloyds shouldn't have processed the payments. This argument relates to whether Lloyds correctly executed the payments – which is a concern he would need to have reported to Lloyds within 13 months of the debit dates.

While I appreciate Mr B may not have identified the disputed payments at the time, I'm not persuaded that it would be unreasonable to have expected Mr B to have done so and reported them within 13 months of the debit dates, I'll explain why.

Mr B has said that he didn't think he had an active card at the time, because while he had received his new card, he hadn't used it yet. Even if Mr B didn't believe he had an active card at the time, there was substantial activity on his account that month, including activity that he isn't disputing. And so, I don't agree it would be reasonable not to monitor his account on this basis.

I am sorry to hear about Mr B's health issues and it isn't my intention to minimise the impact they had on him at all. As Mr B did review his balance multiple times, including within a week of the disputed payments, I don't agree he didn't have the opportunity to identify them.

I note Mr B has also said he thinks the payments were unusual and Lloyds' ought to have intervened appropriately when the payments were made.

Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, Lloyds ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

I have reviewed Mr B's account and the payments he's now disputing. Having considered when they were made, their value and who they were made to, I'm not persuaded Lloyds ought to have found any of the payments suspicious, such that it ought to have made enquiries of Mr B before processing them. I appreciate there were multiple payments each day, but I don't think they formed a concerning pattern at the time, nor were they out of character for the account which was regularly used for higher value payments.

### **My final decision**

For the reasons given above, my final decision is that I don't uphold this complaint.

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

Stephanie Mitchell  
**Ombudsman**