

The complaint

Miss G complains Lloyds Bank plc (Lloyds) failed to identify the reasons why she was experiencing difficulties receiving one-time passcodes by text message.

What happened

Miss G says for a number of years she wasn't receiving one-time passcodes (OTP) from Lloyds when using online banking. Miss G says although she subsequently realised she had blocked Lloyds' call details in 2015 when she was a student, Lloyds never picked up on this during all of the time she was complaining about the problem.

Miss G says it wasn't made clear on her online banking app that she could have opted to receive OTP by way of telephone message and Lloyds failed to offer that solution when she first complained. Miss G also believes Lloyds may have acted in a discriminatory way and it hasn't taken responsibility for its part in the problems she has faced over this matter.

Miss G doesn't feel the compensation that Lloyds have offered of £150 goes far enough and is looking for compensation of £500.

Lloyds says its IT department has checked their systems which show that text messages were delivered to Miss G's mobile and couldn't be certain why they weren't being received. Lloyds says it has suggested to Miss G the issue could be with her mobile device and gave her work around solutions which now seem to have cured the problem.

Lloyds says it has paid Miss G £40 for the fact it had an IT outage when Miss G was overseas and a further £150 for not making it clear that she could have opted for OTP to be delivered by telephone calls.

Miss G wasn't happy with Lloyds' response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator pointed out Miss G had been fairly compensated with £40 for the fact she was unable to access her online banking in August 2024, as this was due to a known IT issue. The investigator says she didn't agree that Lloyds should have been aware that Miss G had blocked their telephone number back in 2015 which was the cause of the issues she had faced. In addition, the investigator felt Miss G should have been able to see from the online banking logon screen, that she could have opted for telephone call messages for OTP.

So, with that in mind the investigator felt Lloyds had provided another option to receive OTP and felt its offer of compensation of a further £150 was generous, as it wasn't at fault for the issue Miss G had faced.

The investigator says there was no evidence to suggest Miss G had been treated any differently due to her ethnicity, as she had suggested.

Miss G didn't agree with the investigator's view and asked for the matter to be referred to an ombudsman for a final decision.

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 won't be upholding this complaint and I will explain how I have come to my decision.

I can understand it would have been frustrating for Miss G not to have received OTP text messages when using her online banking facility. When looking at this complaint I will consider if Lloyds should pay further compensation to Miss G, given the matter has now been resolved.

Miss G's complaint centres around the fact Lloyds failed to provide sufficient help or take responsibility for the fact for some years she hadn't been receiving OTP text messages, when using her mobile banking app.

It's worth saying here that throughout the course of the complaint Miss G raised over these issues, Lloyds maintained its records showed the OTP text messages had been delivered and involved its IT department to investigate the issues, and it concluded the problem may have been with Miss G's device. It did however agree that on one occasion there was a known IT issue that prevented Miss G logging in while overseas and compensated her £40 for that, and I'm satisfied that was fair.

As far as the wider issue is concerned regarding the OTP text messages, it has transpired by Miss G's own admission, that she had forgotten she had blocked Lloyds' phone number when she was a student and after changing that, the issue was resolved. So, it's reasonable to say the problem wasn't really of Lloyds making here. While Miss G feels Lloyds should have been aware of that and it never made clear earlier that she could have opted for a telephone call message for OTP's, I'm not fully persuaded by her argument.

I say this because like the investigator, I'm satisfied the banking app does show Miss G had the option to change to an automated call if she was unable to receive text message OTP. In any event Lloyds have compensated Miss G with a further £150 for the fact it didn't make that point clearer when she first complained and have paid her what I consider to be more than a fair level of redress, bearing in mind it hadn't created the issue here.

As far as Miss G's passing comment regarding her view Lloyds may have acted in a racially discriminatory way, the investigator has pointed out our role here in relation to the Equality Act and like her, I can't see any evidence to show that Lloyds have treated her any differently. By Miss G's own admission Lloyds haven't said anything to her in a discriminatory way and therefore I can only conclude that was simply Miss G's feelings at the time.

While Miss G will be disappointed with my decision, I won't be asking anymore of Lloyds here.

My final decision

My final decision is that I do not uphold this complaint.

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

Barry White
Ombudsman