

The complaint

Mrs U and Mr U are unhappy that Mr U was unable to add a debit card for an account they hold with Lloyds Bank PLC to an electronic wallet.

This complaint arises from a joint account held in the names of Mrs U and Mr U. However, the complaint is brought to this service primarily by Mr U and it relates to actions that Mr U tried to undertake. As such, for ease of reference, I'll refer solely to Mr U throughout this letter, unless it's inappropriate to do so.

What happened

Mr U has several accounts with Lloyds. These include a fee-paying account which provides several benefits to account holders, one of which is fee-free overseas transactions. Mr U wanted to utilise the fee-free overseas transaction benefit while he was overseas on holiday, and while overseas, he tried to add a debit card for his fee-paying account to an electronic wallet he held. However, Mr U found that he was unable to do so.

Mr U contacted Lloyds and learned that the reason he couldn't add a debit card for the fee-paying account to the electronic wallet was because he no longer had a debit card for that account. This was because when his old debit card had expired, Lloyds hadn't renewed the debit card. Mr U wasn't happy about this, so he raised a complaint.

Lloyds responded to Mr U and explained that they had notified him in advance of his previous debit card expiring that they wouldn't be renewing that card, because Mr U hadn't used the debit card for the prior 12 months. Because of this, Lloyds didn't feel that they'd done anything wrong regarding Mr U's complaint. Mr U didn't agree and felt that Lloyds had failed in their duty to him as a consumer, so he referred his complaint to this service.

One of our Investigators looked at this complaint. But they didn't feel that Lloyds had acted unfairly as Mr U contended and so didn't uphold the complaint. Mr U remained dissatisfied, so the matter was escalated 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.

Mr U has said that because Lloyds didn't renew his expired debit card, that Lloyds prevented him from accessing the fee-free overseas transaction benefit that should have been available to him on his fee-paying Lloyds account.

In consideration of Mr U's position, I've thought about whether Lloyds acted fairly or not when they chose to not renew Mr U's debit card when the old debit card expired. And I've also thought about whether Lloyds should be considered as having prevented Mr U from accessing his account benefits by not renewing his debit card.

Lloyds have confirmed that it's their policy to not renew an expiring debit card if that debit

card hasn't been used in the 12 months leading up to the expiry date. This is a commercial decision that Lloyds are entitled to make, and this service has neither the remit nor the authority to instruct Lloyds to change how it chooses to operate.

What this service would expect would be that Lloyds would have informed Mr U of the fact that his debit card wouldn't be renewed in advance of the old debit card expiring.

Upon review, I'm satisfied that Lloyds did that here. And this is because Lloyds have demonstrated that two months before Mr U's debit card expired, they sent a letter to Mr U's online banking inbox explaining that they wouldn't be renewing the debit card when it expired because Mr U hadn't used the card in the previous 12 months. Additionally, the letter also explained that if Mr U wanted a replacement debit card, he could request one.

Mr U has said that he didn't see the letter that Lloyds sent to his online inbox because he wasn't monitoring that inbox because it wasn't his preferred communication channel. But Lloyds have demonstrated to my satisfaction that Mr U had selected online statements and online correspondence as his communication preference.

Because of this, I don't feel that Lloyds should fairly be considered accountable for the fact that Mr U wasn't monitoring his online inbox, which he had registered with Lloyds as being his preferred means of receiving account correspondence.

I also feel that if Mr U wasn't aware that his debit card hadn't been renewed – which I also feel should have been apparent to Mr U from the fact he no longer had an active debit card for that account in his possession – then I feel that it's Mr U himself that should fairly be considered accountable for that.

Furthermore, I'm not persuaded by Mr U's argument that Lloyds prevented him from accessing the fee-free overseas transaction benefit available to him on his fee-paying account. Rather, I feel that Lloyds made that benefit available to Mr U, but that Mr U failed to take the necessary action to enable him to access that benefit.

Specifically, Mr U failed to request a replacement debit card when his old debit card expired and wasn't renewed by Lloyds. And, as per the above, I feel that it was Mr U's responsibility to have been aware that his debit card hadn't been renewed and to have requested a replacement debit card if he wanted one.

Finally, Mr U has said that he feels that by administering his account as they have, that Lloyds have failed in their duty to him as a consumer. Specifically, Mr U feels that Lloyds have designed a product – the fee-paying account – that is detrimental to him as a consumer because Lloyds chose to not automatically renew his expired debit card on that product.

Mr U's comments in this regard refer to the Consumer Duty, which was introduced by the regulator, the Financial Conduct Authority. It sets a higher standard for firms in terms of how they are interacting with their customers, and it applies to events from 31 July 2023.

As part of the Consumer Duty, Lloyds needs to ensure that their products and services are fit for purpose and designed to meet the needs of their customers. And Lloyds should also provide fair value and avoid causing harm by frustrating the financial objectives of their customers. Accordingly, I've thought about whether Lloyds have done this in the context of this complaint.

However, It must be noted that this service isn't a regulatory body, and so it isn't for me to decide whether Lloyds have acted in a regulatory or non-regulatory manner here. Instead, this service's remit is focussed on fairness of outcome.

What this means is that while I've taken the Consumer Duty into account when reviewing this complaint, I've ultimately made my decision based on what I feel represents a fair outcome to this complaint. And, in this instance, while I've considered Mr U's comments on why he feels that Lloyds haven't adhered to the Consumer Duty, I ultimately don't feel that Lloyds have acted unfairly towards Mr U as he contends is the case.

I take this position for the reasons which I've detailed previously in this letter. And this means that I don't think that Lloyds have acted unfairly even when I specifically consider the Consumer Duty and Lloyds' obligations and responsibilities as per the Duty.

I realise this won't be the outcome Mr U was wanting, but it follows that I won't be upholding this complaint or instructing Lloyds to take any further action. I hope that Mr U will understand, given all that I've explained, why I've made the final decision that I have.

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 Mrs U and Mr U to accept or reject my decision before 24 March 2025.

Paul Cooper
Ombudsman