

The complaint

Mrs D complains Lloyds Bank PLC wasn't clear about the consequences if she switched an account she had with another bank to them.

What happened

Mrs D had a joint account with Lloyds Bank PLC with her estranged husband and a sole account with another bank who I'll refer to as "N" throughout the rest of this decision. Her sole account with N was overdrawn.

In October 2024 Mrs D contacted Lloyds Bank to have her name removed from the joint account due to ongoing domestic and financial abuse. Lloyds Bank says it organised this for Mrs D and provided her with £50 in emergency funds for food. During the call Mrs D says the agent she was speaking to encouraged her to switch her account with N over to Lloyds Bank. Mrs D says the agent didn't explain the consequences of switching properly and, in particular, didn't explain that the switch would result in her account with N being closed, that her overdraft wouldn't transfer over to Lloyds Bank and that she would, therefore, have to pay the overdraft balance off in full. Mrs D says that after switching N told her that she'd have to repay her overdraft in full. She says that this made her already difficult situation much harder. She complained to Lloyds Bank saying the agent should have been clearer.

Lloyds Bank looked into Mrs D's complaint and said that the agent she spoke to hadn't encouraged her to switch and hadn't gone through all of the detail because she'd decided to complete the switch online later on. In addition, Lloyds Bank said the agent had mentioned on several occasions that there was no guarantee her new account would come with an overdraft. Lloyds Bank also said that the consequences of switching – particularly where an overdrawn account is involved – were explained in detail during the online process. For those reasons, Lloyds Bank didn't agree that it had made a mistake. Mrs D was unhappy with the response she received from Lloyds Bank and complained to our service.

One of our investigators looked into Mrs D's complaint and said that they didn't think Lloyds Bank had acted unfairly. Mrs D disagreed and asked for her complaint to be referred to an ombudsman for a decision. Her complaint was, as a result, passed to me.

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.

Following my involvement, we asked Lloyds Bank to send us a copy of the call that Mrs D made to its agent on 31 October 2024 – we already had notes of that call.

Having listened to the call, I agree with Lloyds Bank that the agent Mrs D spoke to her handled matters extremely well and with considerable empathy. Indeed, at the end of the call Mrs D thanked the agent for their care and attention and how they'd listened saying that she'd felt heard in a way she hadn't when she'd spoken to a previous agent.

The agent opened a new account for Mrs D and got her name removed from the joint account as well as providing her with emergency funds. I agree with Lloyds Bank that the idea of switching Mrs D's account with N to Lloyds Bank came from Mrs D rather than the agent and the agent mentioned on a number of occasions that any overdraft offered was subject to eligibility and status. Despite the call lasting over an hour, Mrs D ended up completing the switch online later on that day – it seems she got "kicked out" of the app. In the circumstances, I can see why the agent didn't go through everything with Mrs D as far as the switch was concerned. But I can see the process is explained clearly online, so I agree that Lloyds Bank was clear.

Given everything I've just said, I can understand why Lloyds Bank didn't uphold this complaint. That doesn't mean that I don't sympathise with Mrs D – it's clear from the call that she's has been through a lot and that life has been hard. I have, however, come to the same conclusion so I won't be asking Lloyds Bank to do more.

My final decision

My final decision is that Lloyds Bank PLC don't need to do more in this particular case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 6 June 2025.

Nicolas Atkinson
Ombudsman