

The complaint

Mr M complains that Lloyds Bank PLC ('Lloyds') were unreasonable when they gave him a warning about the comments he had made when speaking to a bank employee. Mr M is concerned that this will affect his credit file.

What happened

Mr M called Lloyds in late October 2024 to check if he was able to move funds in and out of his cash ISA. It took multiple calls to obtain the information he wanted, and he was unhappy his question couldn't be answered quickly.

Mr M called Lloyds again later that day as a payment he made had been blocked. He was unhappy with this and didn't think the questions they were asking were reasonable. After multiple calls with different handlers, he raised a complaint about the blocks placed on the account, that he was cut off previously, and about the quality of the conversations he had with the previous call handlers that day.

Lloyds responded to the complaint offering £100 compensation for the service provided to Mr M. But they stated that the blocks were reasonable, and they warned him about the comments he'd made about their staff. They said it isn't something they would accept, and they may close his account if it continues.

Unhappy with this, Mr M brought his complaint to our service as he thought the warning about his behaviour was unnecessary. Our Investigator reviewed the complaint, they explained that the block was fair, and they didn't think the warning was unreasonable – so they agreed that £100 compensation was a suitable offer for the service issues. Mr M remained unhappy, so the complaint has been 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.

Lloyds has provided a copy of their diversity, equity and inclusion policy, which states the following;

'We'll speak up and act when something could cause harm and offence.

We won't tolerate discrimination, violent or offensive behaviour of any kind – whether racist, sexist, homophobic, transphobic, ageist, ableist etc. This applies across all our branches, offices, phone interactions, and online.

Those who do act in this way could be removed from our premises, have their calls terminated, or accounts closed.'

During the call about Mr M's complaint in early November, Lloyds explained that colleagues aren't expected to take offensive comments and they warned him about the comments he made. Mr M quickly contested this and the use of the term 'warning'. In the written response to the complaint, Lloyds also stated that repeated incidents could lead to an account closure. My role is to consider whether the warnings provided by Lloyds were reasonable based on this policy and the comments made by Mr M.

The calls with Lloyds

I've been provided with copies of the calls between Lloyds and Mr M. It's clear that Mr M didn't experience ideal service in some of these calls and he was told incorrect information by call handlers – which I think the £100 compensation recognises.

Mr M told Lloyds he was unhappy that he spoke to multiple 'foreigners' – which he assumed were from eastern Europe. When speaking about people from eastern Europe, he referred to them as 'stupid', 'lazy', 'they don't know anything' and they're 'unable to speak proper English'.

Mr M also said repeatedly that he can't understand them as they mumble and use slang terms, however, Mr M had a pattern of mentioning this after the calls instead of during the calls with the staff members. I didn't identify any slang used in the calls and I'd expect to see Mr M asking these staff members to repeat things more often if he didn't understand what he was being told.

I wouldn't expect Lloyds to accept these generalised assumptions about their staff which seemed to be based on their accent. I don't think it was unfair for Lloyds to consider these comments to be outside of their unreasonable behaviour policy. It would be important for Lloyds to make Mr M aware that what he said wasn't reasonable, particularly as continued instances could lead to Lloyds ending the relationship with Mr M, so the warnings provided were suitable based on what had taken place.

I understand that Mr M is concerned about the impact this could have on him and his credit file. While continued behaviour like this can affect his relationship with Lloyds, I can't see anything to suggest that the warning provided to Mr M will impact his credit file or his ability to obtain credit in future.

Based on the above, I think the £100 compensation paid to Mr M reasonably reflects the service issues. I don't think Lloyds needs to pay any further compensation as they were within their rights to provide a warning to him based on the comments he'd made.

For completeness, I've also thought about whether Lloyds treated Mr M fairly when it blocked the payment he wanted to make. Lloyds' terms and conditions set out when they can refuse a payment. In this case, the block was applied due to fraud security checks – which is in line with these terms. This is a necessary part of banking as it provides protection for consumers and as Mr M didn't want to complete the security questions, I think it was reasonable for Lloyds to continue blocking the payment. In any event, Mr M ultimately made the payment by other means.

I know my decision isn't the outcome Mr M was hoping for. He's described how he feels Lloyds treated him poorly and I anticipate that he will be disappointed that I have a different perspective. I note that Mr M decided to close his account with Lloyds, which was an appropriate step for him to take when unhappy with the bank's level of service.

My final decision

My final decision is that I'm satisfied Lloyds Bank PLC made a fair offer of compensation (£100) to resolve this complaint. As it's told us it's paid that, I make no direction.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 22 April 2025.

Chris Lowe
Ombudsman