

The complaint

Mr N complains that Lloyds Bank PLC's 'use it or lose it' campaign is discriminatory.

What happened

Mr N holds a Lloyds credit card. He is unhappy that Lloyds told him that it would close his credit card account if he didn't either call to say he wanted to keep the account open or use the card to make a transaction before the end of November 2024. Mr N thinks the 'use it or lose it' campaign is in breach of his credit agreement and discriminates against the disabled.

Mr N explains that he is severely disabled which restricts his opportunities to use his account, making it impossible to hold a credit card. Mr N thinks the special needs of disabled customers have not been considered, leaving Lloyds in violation of the Equality Act 2010 and Human Rights Act 1998.

Lloyds doesn't agree that it made a mistake. It says that when it wrote to Mr N in August 2024, it explained what he would need to do to avoid closure of his credit card account. Lloyds sent the letter after Mr N had not used his credit card for at least 12 months.

Lloyds says that it is entitled to close a customer's account under the terms of its account.

Our investigator didn't uphold Mr N's complaint. He didn't think Lloyds made a mistake when it sent the letter of August 2024. Our investigator explained that Lloyds is entitled to end its relationship with a customer. He thought the options which Lloyds gave to Mr N were reasonable and didn't think it had acted unfairly.

Mr N disagrees with the investigation outcome. He says the issue is about a policy deviation from the credit agreement which puts an unreasonable burden on disabled customers to contact Lloyds on an annual basis. Mr N has supplied excerpts from a publication for the ombudsman to consider, together with references to case law and he has referred to a recent ombudsman decision involving another lender.

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.

I appreciate that I have summarised this complaint in less details than the parties and that I have done so using my own words. The rules that govern our service, together with our informal nature, allow me to take this approach. But this does not mean I have not considered everything the parties have given to us.

Lloyds decided to close Mr N's account because he hadn't been using it. My understanding is that fraudsters sometime target inactive accounts because cardholders may not be aware the account is still open and will therefore be less likely to spot unusual activity. Given the increase in financial fraud, I don't think it unusual for Lloyds, like many lenders, to be on the lookout for ways it can protect its' customers from financial harm. I think that where an

account has not been used for some time, it wasn't unfair of Lloyds to decide to close it if Mr N either didn't make contact or use the card by a certain date.

The terms of the account state that Lloyds can end the agreement and close the account provided it gives two months' notice. In Mr N's case, it gave him more than three months' notice. I think this was fair. Mr N was able to contact Lloyds within the stated timeframe, so it didn't close his account. So, I don't consider there has been any negative impact on Mr N who will still be able to use his Lloyds credit card when he chooses.

I appreciate that Mr N thinks Lloyds' campaign is discriminatory because he says that as a disabled person, it can be difficult to use a credit card as often as an able bodied customer. Thereby making it more likely that a disabled customer will face having their account closed for inactivity. I have taken the Equality Act 2010 into account when deciding this complaint – given that it is relevant law – but I have ultimately decided this complaint based on what is fair and reasonable. Only a court can make a finding that a business has breached the Equality Act 2010.

Although Mr N says he will now be required to contact Lloyds on an annual basis to retain his credit card if he has not used it, I don't think that's the case. He will only need to contact Lloyds if it contacts him in the future. This may not be on an annual basis and instead will be taken on a case by case basis taking account of Lloyds' appetite for risk and the perception of risk to its customers. This will be a commercial decision for Lloyds. If Mr N has concerns in the future about Lloyds' administration of his account, he can complain again.

I am grateful to Mr N for the documents he has supplied, together with the case references. I don't want to appear dismissive of these, but having read them, they don't change my decision that Lloyds has not treated Mr N unfairly. So, I don't require Lloyds to take further action in response to his complaint.

My final decision

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 N to accept or reject my decision before 16 April 2025.

Gemma Bowen
Ombudsman