

The complaint

N a limited company complains Lloyds Bank PLC failed to properly transfer online banking access when changes were requested. This resulted in N's account being passed to collections.

N is represented by two directors – Mr N and Mrs B.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

N held a business account with Lloyds and in December 2023 Mrs B wrote to Lloyds to explain that Mr N needed to be added to the account. In January 2024 Lloyds completed the necessary identification checks to add Mr N onto the account. Mrs B maintained access to the account until 27 March 2024.

During the transition period between Mrs B and Mr N they say they attended branch multiple times to ensure Mr N had the appropriate access to the business account. Mr N and Mrs B say they spoke to a staff member and calls were made as Mr N wasn't provided with full access as required.

N had a business loan, and during this period the repayments for February, March and April went unpaid. As a result, a formal demand for payment was sent on 15 May 2024 and the account was closed and passed to its recoveries team on 20 June 2024.

Mrs B and Mr N raised a formal complaint with Lloyds about its handling of the account on 12 April 2024, focusing on the lack of full access to the account for Mr N. Lloyds updated its systems and Mr N was provided full access for all three of N's accounts on 17 April 2024. Lloyds accepted its shortcomings in assisting Mr N and Mrs B at this stage and in its letter to them dated 17 September 2024 it confirmed it would pay N £80 in recognition of the delay in resolving this issue.

In June 2024 a further complaint was raised about the account being passed to recoveries. Mr N explained the delays in Lloyds providing him with full online access resulted in the account being passed to recoveries. Lloyds reviewed these issues and, in its response, dated 28 June 2024 it said that it wrote to Mr N and Mrs B on multiple occasions regarding the repayments that were due. It said that although there were some issues with online banking access it sent letters to make them aware of the situation and the lack of access didn't cover the entire period when payments were missed.

Mr N and Mrs B remained unhappy and referred N's complaint to this service, explaining the poor account management and support for N has resulted in significant financial implications. In its submissions to this service Lloyds explained that it had reviewed the case again and it would increase its offer from £80 to £200. It said this was because it found it should've been more pro-active in advising Mr N and Mrs B how they could use the account whilst they didn't have full online banking access.

An Investigator reviewed the complaint, and in summary made the following findings:

- Lloyds did make an error by not providing Mr N with full online banking access and this had an impact on N.
- However, steps could've been taken by Mrs B and Mr N to ensure loan repayments were made.
- The account passing to recoveries can't be fully attributed to Lloyds' actions with the account.
- The increase offer of a total of £200 compensation for N is fair and reasonable.

Mr N and Mrs B disagreed with the recommendations and didn't feel the compensation was adequate. They reiterated that they attended branch many times to try and resolve the online banking issues, and a member of staff had confirmed the issues they experienced were unreasonable. Lloyds provided the comments of this staff member, which the Investigator reviewed, and found that the comments didn't change their overall recommendations.

Mr N and Mrs B remained unhappy and asked for N's complaint to be reviewed by an ombudsman.

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.

Although this complaint is regarding N, I can see it has caused Mr N and Mrs B a great deal of stress and worry. Although I may not comment on each and every point they have raised, this doesn't mean I have not read and considered everything he's provided. Instead, I have focussed on what I consider to be the key points. This is not intended as a discourtesy – it simply reflects the informal nature of this service.

My review of the evidence has led me to the same overall conclusions as the Investigator previously set out and for much the same reasons. I will explain why.

Online banking access

The fundamental issue in N's complaint is the lack of access to online banking for Mr N. Mrs B and Mr N argue that this had a detrimental impact on their ability to manage the business and it resulted in loan repayments being missed.

I've considered the timeline of events carefully. I can see that in December 2023 Mrs B and Mr N were in touch with Lloyds about the changes they wished to make to the accounts for N. The notes show that throughout January there was multiple points of contact from Mrs B and Mr N to ensure the changes were properly made. On 27 March 2024 Mrs B was removed from the account access, but up until this point she was able to access and transact on the account as normal.

Mr N's access was initially restricted to read only – this began in January 2024 and Mr N first logged on to view the account on 18 March 2024. Mr N and Mrs B raised concerns about the delays in Mr N receiving full access, and this was actioned with him gaining full access on 17 April 2024.

It is not in dispute that Lloyds should've provided more support to Mrs B and Mr N during this transition period. Lloyds acted reasonably in ensuring all the necessary checks were completed before allowing Mr N access. However, I do find that it should've taken steps to

ensure Mrs B and Mr N were aware of other options available to monitor the account during this time to ensure the business account was managed effectively. Lloyds was aware of the loan repayments that were missed from February 2024 onwards, and I think this coupled with the change in business account access should've prompted it to reach out to Mrs B and Mr N to ensure they had the suitable access and information for the account.

Mrs B and Mr N strongly believe their concerns weren't properly address by Lloyds and they attended branch many times since January 2024 and Mr N had tried to access online banking much sooner than Lloyds says he did. Lloyds has obtained the testimony of the staff member Mr N and Mrs B dealt with – and her comments support their argument that they attended branch multiple times and spent a great deal of time on the phone to business banking. However, the comments don't specify dates and a timeframe. I understand Mr N and Mrs B's frustration with this and the situation. I don't doubt they spent time and effort in an attempt to provide Mr N with full access to the account. Ultimately the evidence shows the timeframe differs to their version of events. But I must highlight that even if Mr N and Mrs B's timeline of events was found to be accurate, it would unlikely change the overall outcome of this complaint.

I say this because Mrs B was still able to access the account as necessary and transact on the account. This meant the business operations of N could still continue. Further Lloyds has offered £200 in total for the impact their lack of support had on N. I understand Mr N and Mrs B feel this amount fails to properly address the impact of Lloyds' actions. I must highlight that because N is a separate legal entity to Mr N and Mrs B, I must consider if the award for inconvenience experienced by the company is appropriate, and not Mr N and Mrs B personally. Further, while the compensation can represent the inconvenience of the time one of its directors spent away from the business, it isn't intended to compensate Mr N and Mrs B for their personal experience of dealing with BoS.

Reaching an award for distress and inconvenience is seldom straightforward. The issues involved are subjective by their very nature and the impact can be difficult to determine. Our awards are not intended to be punitive for businesses and their fundamental aim is to recognise the impact on a customer where there have been shortcomings. In N's case I think £200 accurately reflects the issues between it and Lloyds and I'm not persuaded further compensation is necessary.

Loan repayments

Mr N and Mrs B say the lack of full access to the account for Mr N resulted in missed loan repayments and the account being passed to the recoveries team. I understand the lack of access would've had an impact on N. However, based on my review of the timeline of events information sent to Mrs B and Mr N, I find Lloyds acted fairly. I will explain why.

N's loan went unpaid from February 2024 onwards. After each missed repayment Lloyds contacted N at its registered address in writing asking for payment and to get in touch if there were any issues. I am also mindful that Mrs B had access to online banking until the end of March 2024. This means she would've been able to review the account balance and note any payments that were due.

Following this Mr N was provided access from mid-April onwards. This would've allowed him to review and monitor N's accounts. I note no payments were made from here onwards, or contact made with the relevant team at Lloyds. In its letter dated 20 June 2024 Lloyds explained it had asked for the debt owed by N to be repaid in full, and that if this wasn't possible for a repayment proposal to be put forward. At this stage N's accounts passed to the recoveries team for formal management, and N was unable to access banking facilities as it had previously until a suitable repayment plan was established.

I understand that throughout this period Mrs B and Mr N were experiencing significant changes with the control of N and access to its accounts. I recognise that lack of full online banking access for Mr N would've made managing matters more challenging. However, I also find that Mrs B and Mr N had a responsibility to ensure N's debts were serviced appropriately, and I think they were presented with multiple opportunities to engage with Lloyds if N was facing financial challenges. I therefore find Lloyds' management of N's account to be fair and reasonable in the circumstances.

I appreciate this process has been a frustrating process for Mrs B and Mr N and I am sorry to learn of the impact this complaint has had on them in a personal capacity. I know my decision will be disappointing. But I hope my explanation provides them with some clarity, and they understand that their concerns have been carefully considered.

Putting things right

Lloyds Bank Plc should increase its offer of compensation to N to £200 in recognition of the poor service it provided.

My final decision

I uphold this complaint in part.

Under the rules of the Financial Ombudsman Service, I'm required to ask N to accept or reject my decision before 16 July 2025.

Chandni Green
Ombudsman