

The complaint

Mr W complains that Lloyds Bank PLC ("Lloyds") cancelled the wrong card when he reported his debit card as stolen. Mr W believes this left him open to security risks because of its negligence and wants significant compensation for this.

What happened

Mr W called Lloyds and reported his card as stolen on 31 October 2024. After some initial confusion Mr W clarified he wanted his debit card cancelled. In response to this Lloyds unfortunately cancelled the wrong card – his credit card.

On a visit to a Lloyds branch on 4 November Mr W discovered this and raised a complaint. Lloyds accepted it had made an error and cancelled the correct debit card on the same day and ordered a new one. Lloyds confirmed there had been no fraudulent transactions completed on Mr W's account and that if there had been it would have refunded them. Lloyds apologised for its mistake and compensated Mr W £75 for any distress and inconvenience caused.

Mr W was dissatisfied with this as he believes he was put at risk for four days and so brought his complaint to this service.

One of our investigators looked into Mr W's concerns and reached the conclusion that the £75 compensation Lloyds had offered was fair for the distress and inconvenience suffered as Lloyds had taken responsibility for its error and corrected this by cancelling the correct card as soon as it became aware of the error.

Mr W disagreed. He doesn't think that £75 compensation is fair when Lloyds had accepted it had made a fatal error and expected a lot more. Mr W is concerned about what could've happened had he not checked that his card had been cancelled and has asked for an ombudsman's 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.

My role is to look at problems that Mr W has experienced and see if Lloyds has made a mistake or treated him unfairly. If it has, we seek to put - if possible - Mr W back in the position he would've been in if the mistakes hadn't happened. And we may award compensation that we think is fair and reasonable.

Lloyds have already accepted it made a mistake when on Mr W reporting his debit card as stolen it cancelled the wrong card.

So I don't need to make a finding here. What I need to do is consider whether what Lloyds has offered Mr W to put things right is enough.

As soon as Lloyds was informed of its error it rectified its mistake by cancelling the correct debit card and ordering a new one on the same day as well as confirming that no fraudulent transactions had taken place on the card for the four days it was still active. For the inconvenience this caused Lloyds compensated Mr W £75.

But Mr W doesn't think this compensation is enough. He believes he was put at significant risk for the four days his debit card was still active. He is concerned about what could've happened had he not checked the card had been cancelled.

I accept Mr W is concerned at Lloyds error, but it is not our role to punish or penalise the businesses we cover that is the role of the regulator – in this case the FCA. And when assessing what if any compensation is due, we look at what did happen and the impact caused and not what might or might not have happened.

Fortunately, in this case the right card was cancelled as soon as Lloyds were informed of its error and no fraudulent activity took place in between. And as Mr W discovered this error whilst at a branch of Lloyds while conducting other business, I consider any inconvenience caused minor.

And so on this basis and because Mr W hasn't suffered any financial loss I think the compensation of £75 already paid to Mr W is fair for the impact of Lloyds mistake and so I'm not going to ask Lloyds to do anything more.

My final decision

For the reasons I've explained, I've decided that what Lloyds Bank PLC has already done to settle Mr W's complaint is fair and I'm not going to ask it do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 18 April 2025.

Caroline Davies
Ombudsman