

## The complaint

Mr S complains Lloyds Bank PLC (“Lloyds”) closed his account for unreasonable and abusive behaviour. Mrs S strongly disputes he behaved in this way. Mr S adds that he has been victimised and unfairly treated, and Lloyds failed to provide him an extension to the closure when he requested it to do so.

To put things right, Mr S wants an apology, compensation for the distress and inconvenience he’s suffered, and the account reopened.

## What happened

The details of this complaint are well known by both parties, so I won’t repeat them again here in detail. Instead, I’ll focus on setting out some of the key facts and on giving my reasons for my decision.

In September 2024, Mr S attended one of Lloyds’ branches which he says, as a long-standing customer, he used. Mr S says he wanted to withdraw £8,000 cash but was asked his reasons for doing so. Lloyds say Mr S became abusive and threatening particularly to one of its members of staff, so after warning Mr S, it called the Police. Mr S says he hadn’t been abusive nor threatening and is being victimised by Lloyds’ branch staff.

Lloyds initially refused the cash withdrawal for Mr S, but later after the Police were involved, it gave him the cash and gave him 30 days’ notice that it would close his account. In a separate letter to Mr S, Lloyds explained that following the incident at the branch, it had decided to close the account, and it takes incidents of abusive and threatening behaviour very seriously. And such behaviour is unacceptable.

Mr S wasn’t happy he couldn’t switch his account to a new provider using the CASS service. And he also asked for an extension to the closure date to help him manage the transition to a new account provider.

Lloyds didn’t uphold Mr S’ complaint. Mr S referred it to our service. One of our Investigator’s looked into it, and they recommended the complaint wasn’t upheld. In summary, their key findings were:

- Lloyds was entitled to close Mr S’ account, and it acted fairly by giving him 30 days’ notice to make alternative banking arrangements. Lloyds acted in line with its terms and condition when closing the account.
- Lloyds has obligations which it followed when asking Mr S for information about his cash withdrawal. It also needed forward notice for any cash withdrawal over £2,000, otherwise the decision to do so is at branch discretion.

Mr S didn’t agree with what our Investigator said. He said that the most important point about Lloyds closing his account, without affording him more time so he could open another bank account elsewhere, has been ignored.

As there was no agreement, this complaint has been passed to me to decide.

### **What I've decided – and why**

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I do stress however that I've considered everything Mr S and Lloyds have said before reaching my decision.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I have decided to not uphold this complaint. I'll explain why.

Banks in the UK, like Lloyds, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. These obligations extend to individual transactions. This means Lloyds can ask questions about account activity of its customer, including specific transactions.

So, when Lloyds' staff asked Mr S questions about the purpose of his £8,000 cash withdrawal request, I'm satisfied that it was acting in line with its obligations and internal procedures.

Lloyds is entitled to close an account just as a customer may close an account with it. But before Lloyds closes an account, it must do so in a way, which complies with the terms and conditions of the account. The terms and conditions of the account, which Lloyds and Mr S had to comply with, say that it could close the account by giving him at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

Lloyds terms then explain it can close an account with immediate effect, if, amongst other things *"you are or may be behaving improperly. This includes being abusive or threatening to our staff or including abusive or threatening messages in payment instructions"*.

It's clear that both parties dispute this point; that is, Mr S says he wasn't abusive, and Lloyds say he was. Mr S has explained in detail his version of events, and Lloyds has sent me statements from the manager and senior manager about what happened. I also have Lloyds' internal notes which show what was recorded at the time by its staff. Lloyds has also sent me still pictures from its CCTV – but I can't place too much weight on these given they are pictures and there is no audio recording. Lloyds also say that Mr S was previously warned about his abusive and threatening behaviour. And that it showed flexibility and reasonableness in allowing Mr S 30 days to move his banking to a new provider when it could have done so with immediate effect.

I must reach a finding on what I think is most likely to have happened here based on the evidence I do have. That's because I can't be certain what happened as I wasn't there at the time. What I do have is two statements from branch staff who explain in detail why they felt threatened, and why Mr S was being abusive to the extent the Police had to be called. I also note both parties agree that Mr S wasn't happy with the appearance of one of its staff

members and him being 'smug'. Lloyds branch staff found this behaviour from Mr S derogatory.

Lloyds has also sent me a screenshot of its internal call notes which recorded following a conversation that Mr S was abusive in February 2024.

Taken together, Lloyds say its decision to close the account in the way it did was a fair application of the terms. Having carefully considered this, and given what evidence I do have, I'm persuaded that Lloyds acted fairly when closing the account for threatening and abusive behaviour.

In relation to the account switch and closure extension point, Lloyds say the switch wasn't permitted on its systems as the closure had been initiated in October 2024. But Lloyds then extended the closure, which allowed the switch to be carried out. Lloyds internal notes show that an account switch was actioned on 6 November 2024.

I note Mr S had complained about this point when referring it to our service and was informed he would need to complain separately about it to Lloyds. But given its ancillary to the act or omission that's being complained about, and as I'm satisfied, I have enough evidence to reach a finding, I have considered it here. I'm persuaded that Lloyds have acted fairly in demonstrating flexibility when extending the closure and removing any inhibiting blocks on the account to allow the switch. The evidence I have seen suggests this is what happened.

As I don't think Lloyds has done anything wrong in closing the account in the way it did, I see no basis to award any compensation for the distress and inconvenience Mr S says this caused him. Nor will I be directing Lloyds to reopen the account.

### **My final decision**

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 28 April 2025.

Ketan Nagla  
**Ombudsman**