

The complaint

Mr I, on behalf of a charity I'll call T, complains that Lloyds Bank PLC (Lloyds) didn't credit T's account with the correct amount, following a deposit he made.

What happened

Mr I told our service that he counted money collected from donations, before putting it in a sealed bag. The count was checked by two other representatives of T and the total was £3,324.89. Mr I then took the money to his local branch, with a written note confirming the amount of cash both on and inside the bag. The bag was given to a clerk who took it to a room in the back to be counted later. After a few days, T's secretary received a phone call from the branch, saying the contents of the bag was £2,831.89, £493 short of the amount stated on the note.

Mr I contacted the branch to discuss the discrepancy. He asked if there was any CCTV footage of the clerk counting the money, but was told the room where the money was counted didn't have CCTV, and that there should have been two people counting the money, but only one person counted the money because the branch was short-staffed. Mr I made it clear he wasn't making any allegations about what had happened to the money, but he wanted Lloyds to look into the matter again, given it hadn't followed its procedure.

Lloyds completed its review, but didn't uphold T's complaint. It said the branch had counted the money, and had balanced the counting machine the same evening, and had found no errors. Because Lloyds didn't uphold the complaint, Mr I brought T's complaint to our service. He wanted Lloyds to account for the £493 difference.

When our Investigator asked Lloyds to explain what had happened, it produced a statement from the branch manager who had discussed the situation with the clerk in question.

She said the money had been dropped off in a bag and was left for 'deferred checking' i.e. to be counted at a later time. The cashier first checked the coin total against the paying in slip, which was correct. She then put the notes into the machine to be counted, at which point it became apparent that there was a discrepancy between the figure written on the bag and the contents of the bag.

She tried to call the customer, but wasn't able to get through. So, she double checked the amount (there was no change) and processed the money counted. The branch manager noted that the coin total was correct and said it's not possible for the discrepancy of £493 to be down to notes alone, given notes are of course not available in lower values than £5. In light of that, she suggested that the discrepancy may be down to an error in counting the total for each denomination, before the cash was taken to the bank. Finally, she said the coin boxes and notes counted both balanced, which means the excess money on the slip wasn't in the bag in the first place.

Our Investigator looked at what both parties had said, and was satisfied that the bank hadn't made an error, so he didn't uphold T's complaint. Mr I didn't agree: he said that Lloyds didn't follow the correct procedure and he said he had observed a change in procedure in recent

weeks, which he thinks is due to the incident in question here. Our Investigator made further enquiries of Lloyds, but ultimately remained of the view that no error had been made, so he passed the matter to me to issue a final 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.

Firstly, I should say that I'm aware I've summarised the events of this complaint in far less detail than the parties, and that I've done so using my own words. The reason for this is that I've focussed on what I think are the key issues here, which our rules allow me to do.

This approach simply reflects the informal nature of our service as a free alternative to the courts. And 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 in this case. So, if there's something I've not mentioned, it isn't because I've ignored it, and I must stress that I've considered everything both Mr I and Lloyds have said, before reaching my decision.

Both Mr I and Lloyds have made various submissions and submitted evidence they say supports their version of events. In cases such as this, where there are conflicting versions of events, I have to reach my decision on the balance of probabilities, by which I mean I have to decide what I think is more likely to have happened in the circumstances.

Lloyds has suggested that the explanation here is that T incorrectly counted the denominations, which it says is supported by the fact that the coin count was correct and that the difference of £493 can't be explained by an incorrect note count. On the face of it, that seems to be a plausible explanation of what happened here, but given neither party has been able to produce anything to show the breakdown of the deposit, I haven't placed a great deal of weight on that submission. Instead, I've weighed what I consider to be the most compelling evidence, which I've discussed below.

Lloyds has set out the process it followed to check the money by way of a statement submitted by the branch manager, having spoken to the cashier in question. That statement explained that the money was counted and checked, and found to be £493 short of the total on the bag. The branch balance was checked at the end of the day and there was no discrepancy, meaning there was no excess cash in the branch that was otherwise unaccounted for. As such, I don't consider it likely that the £493 Mr I claims is missing was lost in branch.

The only other likely possibilities are that the money was taken by a member of staff in branch (whether deliberately or otherwise), or that the branch correctly counted the money. I've seen no evidence to suggest £493 was taken, and I haven't seen any compelling evidence to persuade me that there was some other error by Lloyds that would explain the discrepancy.

I have considered whether or not Lloyds followed the correct procedure, but I'm not persuaded that that is the key question here. I'm satisfied by Lloyds' explanation, and I'm not persuaded that my position would change if I were to establish that the correct procedure had not been followed. And ultimately, on balance I'm satisfied that no error was made and that Lloyds correctly counted the money deposited, checked the end of day balance for any discrepancies, and applied the correct total to T's account balance.

I understand Mr I says the money was counted carefully before being placed into the bag, but I find the branch's account to be persuasive: a money counting machine was used, the

count was double checked and the reconciliation at the end of the day returned no discrepancy. As I've said above, in cases like this I'm limited to assessing the conflicting evidence provided and deciding what I think is more likely than not to have happened. And simply on the balance of probabilities, I find the evidence submitted by Lloyds' to be more persuasive than the evidence submitted By T.

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 T to accept or reject my decision before 12 November 2025.

Alex Brooke-Smith
Ombudsman