

## **The complaint**

Mr M complains Lloyds Bank PLC unfairly closed his current account and credit card.

## **What happened**

Mr M held a current account and credit card with Lloyds. He also holds a mortgage account with them which remains open.

In November 2024 Lloyds decided to close Mr M's current account and gave him 65 days' notice to make alternative arrangements. They also gave him the same or a similar notice period on his credit card.

Mr M complained about Lloyds' decision, but Lloyds didn't uphold his complaint. They said there weren't providing Mr M with their reasons for closing the accounts, but they had complied with their terms and conditions and his mortgage account wasn't closing.

Mr M brought his complaint to our service. Our investigator didn't uphold his complaint. They said:

- Lloyds carried out a review on their relationship with Mr M and his account holdings in line with their legal and regulatory responsibilities. The result of a review may sometimes lead to accounts being blocked or closed.
- Lloyds closed Mr M's accounts in line with their terms and conditions.
- They had accepted information in confidence from Lloyds related to the reasons why Lloyds closed Mr M's accounts. Based on that information the decision to close the accounts was fair and reasonable.
- Because the closure was fair, they weren't recommending compensation for potential difficulties Mr M might experience in terms of getting a preferential mortgage rate.

Mr M disagreed with the outcome, so his complaint has been passed to me to make a final decision in my capacity as 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.

I've decided not to uphold Mr M's complaint. I'll explain why.

Banks have a broad commercial discretion to decide who they want as a customer. It's generally not for our service to decide the parameters of who they should have or keep as a

customer. But I've considered whether Lloyds acted in line with their terms and conditions when closing the account and whether their reasons represent a genuine exercise of their commercial discretion.

Lloyds provided information to our service which reveals their reasons for closing both accounts, which I've accepted in confidence – a power afforded to me under the Dispute Resolution Rules (DISP). I've not taken this decision lightly, as I understand Mr M would of course want to know why his accounts closed and without knowing he is left to speculate. But after carefully considering Lloyds reasons I'm satisfied they are of a nature that should be kept confidential. A description of the information they provided is it relates to Mr M's account and transactional activity.

Given the nature of Lloyds reasons for deciding to close his accounts, I'm also satisfied they complied with the correct notice periods for both accounts in line with their terms and conditions. And, I'm satisfied Mr M had at least use of the current account during the notice period, enabling him to continue banking freely during this time. I consider he had sufficient time to open other accounts elsewhere should he have wished.

Mr M believes the reason for his accounts closing (barring his mortgage account) relates to his previous complaints and interactions with the bank. But I find Lloyds' statement that they were unable to retain a banking relationship with him doesn't relate to those past events. Instead, it relates to a different reason, which I'm satisfied is legitimate and fair.

Mr M says he won't be able to get a discounted mortgage rate through Lloyds because he no longer holds a current account. I understand this is disappointing for him. But I still find Lloyds' reasons for closing his accounts were fair, so I don't require them to compensate him for potential benefits he might have otherwise received had he remained a current account holder of Lloyds.

Mr M referred to Lloyds recent decision to close his local bank branch, but I find this is unrelated and not relevant to the reason why they previously closed his accounts. Nor do I find this is a reason for them to reopen or offer him new accounts. If he wants to complain about Lloyds closing his local branch, then he will need to raise this separately with them.

## **My final decision**

My final decision is I do not uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 9 July 2025.

Liam King  
**Ombudsman**