

The complaint

Mr K complains that Lloyds Bank PLC unreasonably blocked a payment from his account that he tried to make.

What happened

In October 2024 Mr K attempted to make a transfer of £25,000 out of his account to another account in his name, using the mobile app. The transaction required a referral to Lloyds' fraud department. After going through security and asking Mr K questions about the source of the money and what he intended the payment for, the adviser was not satisfied. They advised Mr K that he would need to go into the branch with ID to get the block removed. After Mr K repeatedly questioned why he could not have access to his money, he raised a complaint.

Mr K attended a branch of Lloyds the next day. He made it clear that he wanted to increase the payment to £37,000. He was told that, in order to get the payment released he would need to watch a video about payment fraud/scams. However he refused to do so. After a discussion between the fraud team and to the manager, the fraud adviser agreed to remove the block and leave it to the branch manager to decide whether to release the payment. However when Lloyds attempted to make the payment it came up for review and after a further discussion with a fraud adviser the call was passed on to Mr K. The adviser accepted that Mr K would not watch the video, and received his assurance that there was no fraud involved in the payment. And following Mr K's confirmation that he accepted full responsibility if the payment turned out to be a scam, the payment was released to him.

Lloyds said it had acted reasonably and in accordance with its fraud procedure. It needed to ask the additional questions in order to assure itself that the payment was not a scam..

Mr K didn't agree and said that he'd been kept on the initial phone call for over two hours, and then spent over two hours in the bank the next day. He felt that he should be compensated for his time and inconvenience.

On referral up to the Financial Ombudsman Service, our Investigator said that Lloyds had handled the matter in a fair and reasonable way, and he didn't think it had done anything wrong.

Mr K disagreed and said that there were further phone calls which Lloyds hadn't supplied. After reviewing those calls, our Investigator said he hadn't changed his view.

The matter has been passed to me for an Ombudsman's consideration.

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.

First of all, I fully accept that Mr K has a right to spend his own money how he wishes.

However, cases where scammers are accessing consumers' accounts are unfortunately a serious problem. And regulations are in place which place a responsibility with the banks to protect consumers. So all banks and financial institutions have their own procedures to check for possible fraud/scams.

I'm aware that Mr K repeatedly told Lloyd's advisers that he wasn't being scammed. However Lloyds was presented here with Mr K receiving a large amount of money into his account and he wanted to transfer that to another account in his name. Since asking a customer to open another account is a warning sign that a scammer may be trying to access that money I don't think it was unreasonable that Lloyds' system blocked the payment.

When Mr K called the fraud team to get the payment unblocked I think he was defensive. He initially said that he did not want to answer questions as it was not a scam. He particularly said, when asked a question about the source of the money that it was a "stupid" question. He later referred to the money having come from a premium bond win.

When dealing with what might be a possible scam, the bank's fraud advisers have to use their expertise and professional judgement to decide whether they are satisfied that the payment being made is genuine. So whilst I understand that Mr K did answer the questions put to him, as I've said he appeared defensive and his answers were vague. It's not for me to decide whether that indicated that it might be a scam/fraud. I just need to decide whether Lloyds acted reasonably in deciding that Mr K would have to go into the bank in order to get the transfer of monies released.

That decision was made by the adviser, having gone away and sought advice, after 18 minutes of the call. The rest of the call, which lasted over 2 hours, was Mr K repeatedly questioning why he was required to go into the branch. And in setting out and dictating to the adviser his formal complaint about the matter. I don't think Lloyds acted unreasonably in the course of that phone call. In particular if the adviser had concerns about the payment, they weren't required to reveal the details of those concerns to Mr K, as this would have raised possible security issues.

When Mr K called into the branch the next day, he was asked to look at a video about scams, which he refused to do. I am aware that in the course of his visit 3 phone calls were made to the fraud team. After the initial call the adviser said they were unblocking the payment and leaving it to the manager to decide whether to release the payment.

For the second and third calls, one of those calls was Mr K calling the fraud team whilst at the same time a member of the branch staff was also calling that team. There was a bit of confusion here as the payment had apparently been unblocked. However it appears that it had been flagged for review and a further conversation with the fraud team had to take place before the payment could finally be released.

I know this was frustrating for Mr K and that he had to spend some time in the bank. From my review of the calls it does appear that the fraud team, having been made aware that Mr K refused to look at the scam video, was still quite reluctant to release the payment. But it does appear from his final conversation with the fraud adviser that Mr K was far more open about what he needed the money for. And ultimately because they were satisfied that Mr K took full responsibility for the payment, it was released.

Overall I can't say that Lloyds' actions during Mr K's visit to the branch were unreasonable. Again the members of staff had to use their professional judgement and expertise to make the decision about the case. Some customers can be thoroughly convinced by fraudsters and in the circumstances of this case, I do think that the nature of the payment and of Mr K's responses gave out warning signs which I think Lloyds would have been remiss not to follow

up.

So, as I don't think that Lloyds made any error, or acted unreasonably, I can't award compensation for Mr K's time and expense in attending the branch. Nor do I consider it appropriate to make any other direction.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 13 June 2025.

Ray Lawley
Ombudsman