

The complaint

Ms C complains that Lloyds Bank PLC provided poor customer service during calls, and she would like further compensation for her time and the unhelpfulness of Lloyds' agents.

What happened

On 11 July 2024 Ms C asked Lloyds to refund a payment of £76.58 she had made to a firm in June for a membership subscription, which wasn't what she expected. Lloyds blocked further payments to the firm and raised a dispute claim. The claim was unsuccessful as the firm provided Lloyds with evidence to show that Ms C wasn't eligible for a refund.

When it raised Ms C's claim, Lloyds gave her a temporary refund, but when unsuccessful Lloyds told her on 20 August 2024 that it would be taken back. Ms C called Lloyds on 24 August 2024 as she was unhappy with its handling of her claim and dissatisfied with Lloyds' lack of assistance and the prolonged time spent on the phone. She wanted the removal of the refund to be delayed.

Lloyds removed the refund from Ms C's account on 4 September 2024. Ms C called the next day and asked Lloyds to dispute the payment again with further information that she would send soon. Lloyds said it didn't hear anything further and texted and emailed Ms C explaining the card provider's timescales and that it was now too late to challenge the transaction again.

Ms C wasn't happy with Lloyds' response and complained. Lloyds apologised for the amount of Ms C's time spent on the phone and paid her £40 compensation. Lloyds said it was sorry it couldn't agree her request to defer removal of the payment, but it had explained the refund was temporary while it handled the claim and could be removed depending on the outcome.

Ms C was still unhappy and referred her complaint to our service. Our investigator didn't recommend it be upheld as she thought £40 fair for Ms C's inconvenience for her two calls on 24 August. She set out the durations of the calls but accepted Ms C's assertion that they lasted an hour each. She was satisfied with the service Ms C received during the calls.

Ms C wasn't happy with this outcome and requested an ombudsman review her complaint. She said Lloyds called her mobile on 27 August when it knew she doesn't use this for health reasons. She said the call lasted 21 minutes 27 seconds, with total call times of about three hours. She said £40 felt like an insult but would accept a further £30 to get a resolution.

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 was sorry to learn that what should have been a straightforward chargeback claim has turned into a drawn-out and upsetting experience for Ms C. My role is to determine whether what took place was reasonable and whether Lloyds followed the process correctly. To do this I've taken account of the relevant rules and guidelines along with good industry practice.

Ms C complains about Lloyds' systems, as she was put on hold, promised that someone would call to take a complaint, and given no respect for her time or vulnerability. She is looking for a far more appropriate level of compensation for what she has experienced.

In response to Ms C's complaint, I gained Lloyds' agreement to pay her further compensation of £40 for poor service she had received on her calls and for the call to her mobile.

Although in April 2025 Ms C said she would accept an additional £30 compensation, when I put the offer of a further £40 to her on 3 June, she said this was unacceptable as it was a long time ago and she has spent more time on her complaint since. Ms C said she wants a significantly larger sum, and so I have re-considered what would represent fair and reasonable compensation for Ms C's poor experience with Lloyds.

Firstly, Ms C needs to be aware that complaint handling isn't a regulated activity and so it is outside the jurisdiction of this service. This means that I can't include within my consideration anything to do with the handling of her complaint by Lloyds or our service. This would particularly include any of the calls and other communications to Lloyds, ourselves and others after she complained to Lloyds.

As to Ms C's request for significant compensation, this must bear some relationship to the amount of her chargeback claim from which her complaint derives. This was less than £80, and £80 is now offered in resolution. I also note that the firm from whom Ms C was seeking reimbursement, has since refunded her payment.

In terms of Ms C's chargeback claim, I haven't found any errors in Lloyds' handling as I can see that it followed the correct process. This includes providing a temporary refund of the amount to Ms C while the claim was considered, and reversing this when the claim failed. Lloyds explained the process to Ms C including that the claim is not guaranteed, and that Lloyds must follow the rules set by the card issuer.

Ms C had two calls with Lloyds on 24 August 2024. I can see her frustration at the time taken, and with follow-up calls to ask when Lloyds would contact her to take her complaint. I've also taken account of her upset at receiving a message on her mobile when she had asked for this not to be used. Lloyds did take Ms C's complaint at the time and responded via its Final Response Letter of 25 September 2024.

I am pleased Lloyds has acknowledged some poor service in the calls with Ms C. I think the £40 compensation it has paid Ms C and the further £40 it has since offered is fair and reasonable for her time on the phone and the upset and inconvenience she has described. This compensation is consistent with awards we have seen in similar complaints to Ms C's.

When we make awards of compensation we are not looking to fine or punish a business but to find an award that fairly and reasonably compensates the consumer for the wrong that has been done. Having considered the timeline of events and Lloyds' handling of the communications with Ms C, I haven't seen anything in the circumstances that warrants any further compensation in respect of Ms C's distress and inconvenience.

Our service investigates the merits of complaints on an individual basis and that is what I've done here. I think it's important to explain that my decision is final. I realise that Ms C will be disappointed by this outcome though I hope she appreciates the reasons why this is a fair outcome in the circumstances.

My final decision

For the reasons I have given it is my final decision that the complaint is upheld in part. If Ms C accepts this decision, I require Lloyds Bank PLC to pay her a total of £80 compensation. Lloyds can deduct compensation it has already paid Ms C in respect of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 17 July 2025.

Andrew Fraser
Ombudsman