

The complaint

Ms R complains that Lloyds Bank PLC allowed her to spend during a time when it should have noticed she was vulnerable.

Ms R is represented in bringing this complaint but for ease of reading, I'll refer to all submissions as being made by her directly.

What happened

Between 2016 and 2022, Ms R made a series of substantial payments from her current account with Lloyds to family members and various charities for over £50,000. Ms R has explained that this was because she was suffering a psychotic episode, in addition to existing long term medical issues – which she has provided detailed medical evidence of. In 2024, Ms R complained to Lloyds about this – saying that it should have intervened during this time and didn't.

Lloyds responded, explaining that Ms R had sufficient funds in her account to make the payments in question and that it hadn't been made aware of her personal circumstances in respect of her mental health. It said that the payments were all genuine payments and so weren't flagged for any reason by the fraud prevention systems it has in place for such transactions.

Ms R brought her complaint to this service, where one of our investigators looked into it. They said that where Lloyds wasn't aware of the circumstances behind Ms R's payments over this time. They noted that where the payments were being made using her own money, without any need to borrow from Lloyds and where there were no signs of fraudulent payments – they wouldn't have expected the bank to intervene. They went on to add that even had Lloyds intervened then there was no guarantee that this would have stopped the payments.

Ms R disagreed and provided a witness statement from a long-time friend of Ms R, along with comments from her doctor about her diagnoses and symptoms. Ms R objected to our investigator's findings, saying (in summary) that the investigator placed too much emphasis on her to notify Lloyds of her position, especially given what the comments from her friend and doctor said about her inability to do so at the relevant times. Ms R said that there were significant changes in her behaviour which should have alerted Lloyds to her vulnerability and need for assistance. She also believed that had Lloyds intervened then it would have become aware that she was vulnerable and of unsound mind. The complaint was referred to an ombudsman to decide.

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.

Having done so here, I note that Ms R has referred to other decisions that have been published by this service and which she believes are relevant to her circumstances here. I've considered what's been said about these decisions, but would just remind her that my role here is to look at what's fair and reasonable in the individual circumstances of her complaint against Lloyds.

In doing so, it's clear that the key question I need to answer is whether it would have been fair and reasonable for Lloyds to have intervened and questioned Ms R about her spending during the relevant time period here, based on what it knew (and could reasonably have been expected to know) about her situation.

It's not in dispute that Ms R didn't make Lloyds aware of her circumstances during the time here. This means that what Lloyds did know about Ms R's position was limited to her account conduct during the years in question. During this time, Ms R's account maintained a large positive balance and was used for day-to-day expenditure, along with the payments to family and charities that have been mentioned here. This pattern of spending went on for a number of years without any obvious detriment to Ms R, such as exceeding agreed account limits or having any payments returned, for example. Put simply, Ms R looked to be using her account to make genuine payments that she wanted to make, using money she had available to her.

What constitutes 'unusual' spending will be different for each and every person. Customers are entitled to use their accounts as they see fit, although banks will monitor accounts for a number of reasons, often because of legal and regulatory obligations. But here there was nothing to suggest that Ms R hadn't authorised the payments that she was making or that there was anything unusual about the payments, beyond the fact that some were for large amounts and others were made regularly and frequently to charities.

Just because Ms R made frequent donations to charities and other large payments to people she knew – that isn't enough in isolation for Lloyds to have assumed that she was making these payments to her detriment. There were numerous, very frequent payments made to charities during this time, often for hundreds of pounds. But that is set against the context of what was generally a very high balance held in Ms R's account, alongside regular day-to-day income and expenditure.

Viewed one way, the length of time this went on for could be seen to be a reason for Lloyds to have intervened – indeed that is what Ms R has argued. But another view of this is that where the situation went on for such a long time and without any obvious detriment to Ms R, Lloyds was entitled to have treated Ms R's use of her account as genuine and without need for intervention where it wasn't causing her any obvious problems. In my view, for this situation to have gone on for as many years as it did would have only supported that Ms R was genuinely using her account in a way she could manage and sustain.

I've carefully considered the information Ms R sent to us after the investigator reached their view – but this doesn't change my view. I realise that Ms R would have found it exceptionally difficult to have told Lloyds about her situation during the relevant time here. But I have to consider the circumstances here impartially and be fair to both sides. So even if I accept that Ms R may have found it very difficult to tell Lloyds about her circumstances – I don't think it would be fair to say that Lloyds can be held responsible for her spending her money as she chose to, when it had no clear reason to suspect that she was doing so to her detriment.

It's clear that Ms R has had to deal with some incredibly difficult circumstances over the time period mentioned here, but in my view, none of this would have been apparent to Lloyds from what it could have known about her from the conduct of her account alone. So I don't find that it would be fair and reasonable to have expected Lloyds to intervene or question

Ms R in the individual circumstances here. It follows that I won't be upholding this complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 22 July 2025.

James Staples
Ombudsman