

The complaint

Mr C complains Lloyds Bank PLC repeatedly blocked payments he wanted to make – without logic or common sense – causing him considerable frustration.

What happened

Mr C has an account with Lloyds Bank and has done so for over 50 years.

Mr C says Lloyds Bank blocked a £25,000 payment he wanted to make in December 2024. He says he was moving money in order to get the best interest rate he could and in December 2024 he started moving money to a company he'd not sent money to before. He says he was ultimately able to move the money by making several smaller payments.

Mr C says Lloyds Bank blocked a £5,000 payment he tried to make on 14 February 2025 to the same company. He says he had to call Lloyds Bank's fraud team, that he was asked scripted questions, not listened to and then told he would have to go into branch in order to get the payment released. Mr C refused to go to the branch saying it was pointless unless Lloyds Bank paid him for the time he'd waste and compensation. He told the agent to whom he was speaking that he wanted to cancel the payment and he'd be closing his account. The agent said he wouldn't be able to make any payments until he went to branch. Mr C said that the agent didn't know where his nearest branch was or whether he had any mobility problems or other vulnerabilities when asking him to go to branch.

Lloyds Bank looked into Mr C's complaint and offered to pay him £75 in compensation for the trouble and upset he'd been caused and £15 to cover his transport costs. Mr C was unhappy with Lloyds Bank's response and so complained to our service.

One of our investigators looked into Mr C's complaint and said that they didn't think Lloyds Bank had acted unfairly or unreasonably when it blocked the payments it did. They also thought that the compensation Lloyds Bank had offered given that it had assumed he'd be able to go into branch without difficulties was fair. So they didn't recommend the complaint be upheld.

Mr C disagreed with our investigator's recommendation and asked for his complaint to be referred to an ombudsman for decision. His complaint was, as a result, passed to me.

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'm satisfied that Mr C had made over thirty payments of more than £5,000 in the three months prior to the £5,000 payment Lloyds Bank blocked on 14 February 2025. I can also see large payments had come into his account too. I'm satisfied that he was simply moving his money around in order to get the best interest rate available for his savings and that he was making multiple £5,000 payments because he had noticed that Lloyds Bank was blocking any £25,000 payments he attempted to make. I can completely understand why Mr C found Lloyds Bank repeatedly blocking his payments frustrating because the blocks appeared to lack logic or common sense. But given that Lloyds Bank was trying to make sure that Mr C wasn't falling victim to a fraud or scam, I can't say that Lloyds Bank acted unfairly or unreasonably when its systems blocked the payment they did. That doesn't mean that I don't think Lloyds Bank has done anything wrong. I think it has and I'll explain why.

I've listened to the call between Mr C and Lloyds Bank's fraud department about the £5,000 payment that was blocked on 14 February 2025. I can understand why Mr C felt there were times during the call when the agent wasn't listening to him. I say that because there were times when the agent seemed to be asking scripted questions despite the fact that Mr C had already explained why he was making the payments he was making. I can, however, see both sides – the agent has to make sure they've asked the right questions before allowing the payment to go through and to satisfy themselves that the customer isn't falling victim to a fraud or a scam.

The agent ultimately asked Mr C to go into branch. I can see that this went down really badly with Mr C – almost certainly because he'd had a poor experience with another of bank asking him to go to branch. The fact that the agent hadn't checked how difficult this would be for Mr C seemingly didn't help either. In an effort to make a point, I can see that Mr C pointed out to the agent that they hadn't checked whether he had a disability or a vulnerability, and then suggested he'd "get out of his iron lung and into his wheelchair".

Mr C ultimately "agreed" to visit a branch and Lloyds Bank offered to pay £15 towards his taxi costs and £75 in compensation. Given what I've said, I don't think it would be fair to tell Lloyds Bank to pay more than this as at best all I can say is that the call on 14 February 2025 could have been handled better. In other words, I agree that this isn't a complaint I can uphold.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 4 December 2025.

Nicolas Atkinson
Ombudsman