DRN-5608768

The complaint

Mr J complains Lloyds Bank PLC caused him considerable distress and inconvenience as a result of the way it handled the aftermath of a burglary.

What happened

Mr J and his wife have a joint account with Lloyds Bank. They have other accounts too and separate user IDs.

Mr J's house was sadly burgled on 17 February 2025. He called Lloyds Bank that day – on the advice of the police – as a device he used to log onto his online banking was one of the items stolen in the burglary to let Lloyds Bank now. Lloyds Bank blocked Mr J's online banking – at his request – and said it would remove this once he was happy for it to do so.

Mr J went into branch on 20 February 2025 in order to change his security details so he'd be ready to use online banking once he received a new device through his insurers. He says made a note of his new details and his user ID had not, as far as he was aware, been changed.

Mr J says he says he received a new device through his insurers on 26 February 2025. He says he tried to log on that day using his new details and original user ID, wasn't able to do so and an agent at Lloyds Bank who he spoke to wasn't able to resolve the issue either. He was told to go into branch again.

Mr J says he went into branch the following day – in other words, on 27 February 2025 – but didn't take his new device with him. He says the assistant manager who tried to help wasn't able to resolve his problems logging on. He also says he discovered that his user ID had been changed. He says he had several calls with Lloyds Bank that evening and no-one was able to explain how his user ID had been changed without his knowledge. Lloyds Bank says Mr J insisted on his account remaining blocked until someone was able to explain how his user ID had been changed as he was concerned his account wasn't safe. He complained too.

Lloyds Bank investigated Mr J's complaint and said that his user ID had been changed in order to meet its up-to-date security standards. Mr J wasn't happy with Lloyds Bank's response and so complained to our service saying he needed answers. He was also unhappy with the amount of time he'd wasted.

One of our investigators looked into Mr J's complaint and said that Lloyds Bank should have been able to explain sooner why his user ID had been changed. Had that happened, they thought he would have been saved unnecessary inconvenience and worry. So, they recommended £200 in compensation.

Lloyds Bank accepted our investigator's recommendation. Mr J didn't. He asked for his complaint to be referred to an ombudsman for a decision saying, amongst other things, that Lloyds Bank had focussed on what had gone wrong on 27 February 2025 when a lot had gone wrong before then. 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 can see that Mr J is very unhappy with the way Lloyds Bank handled this whole matter, including the fact that he had to spend a lot of time on the phone and going into branch and the fact that his user ID was changed without his knowledge or explanation. I accept that this would have caused him additional distress and inconvenience – particularly the idea that his accounts might no longer be safe – at a time when he was already having to deal with a burglary and insurers. In other words, additional distress and inconvenience at what was already a difficult time. Some of that will be down to the fact that he and his wife had been burgled – an experience that must have been unsettling. And some of that will be down to having to deal with the consequences of that – changing his online banking details etc. I appreciate that all of these things would be distressing and inconvenient, but it wouldn't be fair to hold Lloyds Bank liable for that to the extent that they're consequences of the burglary. And although I accept that Mr J spent a lot of time on the phone and going into branch, I don't agree that this was down to any fault on Lloyds Bank's part with the exception of the explanation for the change in his user ID which I agree could and should have come sooner.

Putting things right

I agree with our investigator that Lloyds Bank caused Mr J unnecessary distress and inconvenience when it didn't explain why his user ID had been changed sooner. I also agree that £200 is fair compensation for this. So, that's the award I'm going to make.

My final decision

My final decision is that I'm upholding this complaint and require Lloyds Bank PLC to pay Mr J £200 in compensation in full and final settlement of his complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 15 September 2025.

Nicolas Atkinson
Ombudsman