

## **The complaint**

Mr P complains about the information asked of him by Lloyds Bank PLC during a phone call and that it gave him misleading information concerning the use of a passcode. He also complains about how his complaint was handled.

## **What happened**

On 20 November 2024 Mr P received a call from Lloyds. In the call, the adviser explained that they were calling him about a dispute he had raised with Lloyds. He confirmed that he had done that, and the adviser went on to ask him for his full name, date of birth and postcode. Mr P was unhappy about giving out that information, and asked how he would know it was Lloyds calling. The adviser said he didn't, which was why they asked for partial information. The call ended there.

Subsequently, Mr P called Lloyds to complain about the previous call. In the course of that call, the adviser said that he could set up a passcode which Mr P could use on subsequent calls. This was duly done. However when he later contacted the complaints team, he was still asked security questions. The complaints adviser explained that the passcode could only be used for telephone banking. This is because the complaints and banking systems are separate for security reasons. They explained that a password can be set up for each individual complaint, though this is not the same as the passcode.

In respect of Mr P's complaints about the calls, Lloyds said it had followed its correct process and hadn't made any error. It was sorry if there was any misunderstanding about the passcode system.

Mr P was unhappy with the way that his complaint had been dealt with, in particular that the complaints adviser didn't call him before making a decision about the complaint.

On referral to the Financial Ombudsman Service, our Investigator said that they recognised that it was frustrating for Mr P to set up a passcode which he couldn't subsequently use for his complaints. They didn't think this caused him any financial loss or distress or inconvenience such that it was appropriate to award compensation.

I issued a provisional decision, to deal with Mr P being unhappy at the way his complaint had been dealt with. I didn't uphold his complaints about the first call but said that in my view the error made when advising him about the use of a passcode didn't warrant any payment of compensation.

Mr P disagreed. I've set out his points in my findings below.

## **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.

The following were my provisional findings:

*"The Financial Ombudsman Service is an alternative dispute resolution service. We are an alternative to the courts and provide informal resolution of complaints. I will be considering only Mr P's complaints arising out of the two phone calls he had with Lloyds in November 2024, one outbound and the other inbound. I will not be considering Lloyds' overall process for phone calls. And I don't have the power to require it to alter its process.*

*first phone call on 20 November 2024*

*This was a call from Lloyds to Mr P. It was not in fact, as Mr P has asserted, a cold call. He may not have expected it but the evidence is that it was a call concerning a dispute which he'd recently raised with Lloyds. The adviser did not withhold the number. They asked Mr P for his full name, date of birth and post code. They didn't ask for any details of his account. Lloyds says on its website that, for outgoing calls:*

*"Lloyds Bank will never ask you to:*

- Tell us your account details.*
- Share your Personal Security Number.*
- Tell us your PIN code or card expiry date.*
- Move money to another account."*

*So, although I understand that other banks may have different processes, Lloyds followed his own process and didn't ask for any of the information listed above. So I don't think it made an error, and as I've said I can't ask it to change its process. I'm aware that the adviser when responding to Mr P said he couldn't know that the call came from Lloyds. They said this was why they asked for partial information. Ideally they could have told Mr P to call Lloyds back on one of its advertised numbers. Although I bear in mind that the call lasted just under 2 minutes and as Mr P was wary about giving out the information the adviser couldn't talk with him any further. I note also that he was able to call Lloyds back.*

*If Mr P is unhappy with Lloyds' data protection, he may be able to make a complaint to the Information Commissioner's Office (ICO). They don't award compensation but can look at a complaint about an alleged breach of data protection.*

*second call on 20 November*

*In this call the adviser offered to set up a passcode for Mr P. And they did advise him that any time he got a phone call in future, he'd be asked for two random digits from the passcode. In fact, as was later explained to Mr P, the passcode process only applied to telephone banking, and that for complaints there was a different system. I can fully appreciate the reasons for this as it keeps the banking system with access to customers' accounts separate from complaints. Nevertheless, it appears that Mr P was led to believe that the passcode could be used for all calls.*

*I can understand Mr P's concern about this and that it would have been annoying for him to be asked security questions when he thought he had a passcode set up. However though the complaints and banking systems may be separate, he was able to set up a password for the complaint he was making.*

*So I have considered the error that the adviser made in this call. In my view, I think it was a one-off error which caused Mr P minor inconvenience. And, bearing in mind that I haven't upheld his complaint about the first call, I think the apology provided by Lloyds was*

sufficient.

#### *complaint handling*

*We can look at complaint handling where we think it is an ancillary activity arising out of the original complaint. And I think it was in this case. I've reviewed this and note that the complaints adviser spoke to Mr P on 7 January 2025. They discussed his complaint with him, and though I could hear that he was dissatisfied about other previous incidents, as I've said I'm only considering here his complaints arising out of the two phone calls mentioned.*

*And I see that those complaints were dealt with within the subsequent final response letter of 27 January. Whilst I understand that he was unhappy with Lloyds' response to his complaint I can't see that it made any errors in reviewing his complaint."*

As I'm required to do, I've had in mind when considering Mr P's complaint, all relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time. In keeping with the informal nature of this service, I won't set out what rules etc do or don't apply.

Mr P said that although in his first call the number wasn't withheld he wasn't able to call back on that number. And he's reiterated his points about the information asked of him. I can only repeat my provisional findings on this point. As he'd already declined to give any security information I think it was better not to proceed with it. And he was able to call back on one of Lloyds' advertised numbers. The information asked for at the time was part of Lloyds' security process. I understand his opinion that asking for such information is inappropriate, but, bearing in mind that this was not a cold call, in my view Lloyds wasn't in breach of any rules or guidance regarding calling a customer.

As regards being misled about the use of personal passcodes, I don't disagree that this should've been made clear to him. But I still think that it was a minor error. The fact that he was caused inconvenience by having to be asked for his security information again or that he had to set up a password to deal with a complaint is a result of the process itself rather than a result of being misled.

In respect of the complaints handling, Mr P had raised a number of different complaints about Lloyds. In respect of this particular complaint, it was discussed with him both in his original complaint call on 22 November and again on 7 January. The latter call also dealt with other complaints. He will be aware that when a complaint is made Lloyds has eight weeks to respond to it, and it did so in this case. But there's no particular requirement for this to be by telephone.

I've noted the two decisions Mr P has referred to from our database. The facts and circumstances of those decisions are very different from this case. Taking into account that I have in this decision only dealt with Mr P's complaints about the two telephone calls, I don't think that this was as Mr P has told us, ongoing and significant. His complaint was dealt with in an appropriate time frame. And, in my view, it falls into the category of it being resolved by providing an apology, which Lloyds gave. I should advise that we don't award compensation for the amount of time that a complaint has been with us.

So I remain persuaded by my provisional findings. Those findings are now final and form part of this final decision.

**My final decision**

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 8 July 2025.

Ray Lawley  
**Ombudsman**