

The complaint

N, a limited company, complains that Lloyds Bank PLC didn't send it a notification that its period of free banking was ending.

What happened

The director of N says that as N wasn't notified about the end of the free banking period it incurred charges for paying in cash that could have been avoided. So, he wants charges of £145.80 refunded together with compensation of £150 for the time involved.

Lloyds said it hadn't made a mistake. It initially told the director that it was up to N to record and remember the period of free banking. But when it provided its business file to this service said that it would write to tell customers about two months before the free banking period ended. Here it provided a systems record to show it had sent N the relevant letter. Lloyds said that the letter to N was mailed centrally. And that a copy of the actual letter wasn't retained. It provided a copy of the template used which set out the relevant charges.

Our investigator didn't recommend that the complaint be upheld. She said that Lloyds had shown it held the correct address for N, that a letter was sent and that the template of that letter provided explained that the period of free banking would be ending. She wasn't able to say exactly what had happened to that letter after it had been dispatched. But she didn't think that Lloyds was reasonably responsible for N not receiving it.

N didn't agree and wanted its complaint to be reviewed. It said that it had initially been given incorrect information about whether a letter would have been sent. It hadn't been provided with a copy of the actual letter, and it said that this must be included in Lloyds' records somewhere. N said that it's very rare for a letter to be lost in the post. And Lloyds had failed in its obligations to notify N of the charges and should make a refund.

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.

It isn't in dispute that when N opened its account it was offered a period of free banking. And that it received this. Charges were payable from 10 October 2024. The first charges were applied to N's account on 17 December 2024 relating to the period up to 9 November 2024 and were for £38.05. As N indicates the large part of those related to a cash deposit and this was in addition I understand to a regular monthly fee of £8.50. N wants a refund of all these charges and similar ones applied in January and February 2025.

Lloyds has clarified that its process is to remind customers of the end of a period of free banking about two months in advance. As our investigator has said it has provided its evidence of doing so. And said that it wouldn't have retained a copy of a letter sent in this way in a central mailing. That's not unusual in my assessment. And here I need to decide whether its evidence is sufficient to persuade me on balance that the letter was sent. I find that this is most likely in this case. And I can't reasonably hold Lloyds responsible say for

problems with the postal system and find here that it's made an error.

I'm afraid that taking into account my assessment above I don't have a reasonable basis to require Lloyds to refund any of these charges to N.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask N to accept or reject my decision before 25 July 2025.

Michael Crewe
Ombudsman