DRN-5667635

The complaint

Mr K and Mrs N complain that Lloyds Bank PLC unfairly closed their joint bank account and provided a poor level of service. As the primary complainant and for ease, I'll mainly refer to Mr K in my decision.

What happened

Around April last year, Mr K discovered that his joint account had been closed. He complained to Lloyds because he says the bank carried out the closure without notifying him and without providing a reason. He's also unhappy that he had to travel to the UK from another country to collect the cheque with the closing balance of his account.

Mr K also referenced a letter he received from Lloyds around November 2023. The letter enclosed a questionnaire asking for information about his usage of the account and certain payments that were credited into it. At the time, Mr K was unsure about the authenticity of this letter, so he telephoned the bank. During the call, Mr K says the bank's representative couldn't locate any information about this letter and advised him not to respond – instead, he was advised to visit a Lloyds branch to confirm whether the letter was genuine. Mr K says he was unable to do so because he was abroad. He feels its unfair Lloyds closed his account despite the advice he received over the phone.

Responding to the complaint, Lloyds explained that it had closed the account in line with its terms. The bank acknowledged that Mr K hadn't been adequately notified of this decision, so it paid him £100 compensation. Remaining unhappy, Mr K asked this service to independently review his complaint. He says the situation caused him stress and he had to take time off from work to travel back to the UK. Mr K wants the account reinstated in his sole name and wants Lloyds to reimburse him for his costs.

One of our investigators issued their outcome, upholding the complaint because of the poor service provided by Lloyds. The investigator asked Lloyds to pay an additional £150 compensation. Lloyds agreed, but Mr K suggested more needed to be done to prevent such failings in future. Mr K doesn't feel the compensation amount our investigator recommended is sufficient to put things right.

Because Mr K doesn't agree, the complaint has been passed to me to decide.

My provisional decision

I recently issued my provisional findings, explaining why I didn't plan to uphold this complaint:

Banks that operate in the UK (including Lloyds) are required to carry out specific actions to meet their legal and regulatory obligations. This includes the requirement for banks to *complete ongoing monitoring of existing business relationships. And that sometimes results in banks deciding to restrict or - in some instances - close customer accounts.*

Lloyds has provided me with information to show why it reviewed Mr K's account. Having considered this, I'm satisfied the bank acted in line with its regulatory obligations.

Lloyds is entitled to close an account. However, in doing so, it must ensure it complies with the terms and conditions of the account. The terms of the account say that Lloyds can close Mr K's account by giving him at least two months' notice. In certain circumstances, the bank can also close an account immediately.

Lloyds gave Mr K two months' notice that it was closing his account. Based on the information I've seen, I'm satisfied that Lloyds acted fairly and in line with its terms and conditions when doing so. I understand Mr K's concern, given he would like to know why Lloyds closed his account. But the bank is under no obligation to explain why it made this decision.

It's important that I point out that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for several reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Lloyds has provided is information I consider should be kept confidential.

Mr K says he wasn't properly informed of the bank's decision to close his account. Although Lloyds says it would've notified him in writing, the bank cannot locate a record of this notification. So it paid Mr K £100 compensation for the inconvenience caused because of this. The bank points to a similar letter sent to Mrs N around the time, but I can't see that this letter makes it clear that the joint account held with Mr K would be closed. So I'm not satisfied that the notice period was communicated clearly. Despite this, I'll shortly explain why I don't plan on asking Lloyds to do anything more regarding this.

After finding out about the closure, Mr K travelled to the UK to retrieve the cheque for the remaining funds in his account. I can't see that Lloyds was aware beforehand that Mr K was based abroad, so I can't fairly say that the bank should've acted differently. Therefore, I'm satisfied that Lloyds acted fairly by sending the cheque to Mr K's registered UK address. I appreciate Mr K contacted Lloyds expressing that he urgently needed the cheque before he travelled back. But I can see that Lloyds delivered it to him within its expected timescale, so I can't fairly conclude that there's been a failing here.

Mr K seemingly points to the letter he received in November 2023 as being the basis of Lloyds' closure decision, given the letter wasn't responded to. Having listened to the relevant call Mr K made to enquire about this letter, I'm satisfied his lack of response was steered by the flawed advice provided by the bank's call handler. I can appreciate that during the call Lloyds couldn't locate any record of this letter. But given the content of the letter as described by Mr K during the call, and given he mentioned he was abroad at the time – I think Lloyds should've taken further steps after the call to verify whether the letter was genuine and informed Mr K.

Lloyds confirmed to us that this letter was genuine and points to other letters sent to Mrs N in the months prior to this. And I note that the November 2023 letter does make reference to previous communications. So I'm satisfied that, as joint account holders, Mr K and Mrs N were likely aware that they needed to contact the bank to provide some information.

Because of the confidential nature of Lloyds' closure decision, I can't say whether Mr K's lack of response to the questions that accompanied this letter is what ultimately led to the closure of his account. Lloyds says it conducted a further review after it didn't receive a *response and decided to close the account. And having considered Mr K's response to some of our investigator's questions about the way he used the account, I'm not persuaded that responding to the bank's letter would've likely changed Lloyds' decision to close the account. Nor can I fairly conclude that further follow up by the bank would've made a difference either.*

I agree though that Lloyds' service over the phone was poor and it failed to demonstrate that it properly notified Mr K of its closure decision. Mr K wants further compensation and his costs reimbursed. But after considering the content of the bank's review, I don't find that awarding further compensation would be fair or appropriate. I understand Mr K would want to know the information I have weighed to reach this finding. But I am treating this information in confidence, which is a power afforded to me under the Dispute Resolution Rules (DISP), which form part of the Financial Conduct Authority's regulatory handbook.

In summary, I'm satisfied that Lloyds acted fairly when it decided to close Mr K's joint account. And although I can see there were service failings on the bank's part, I don't find fair cause to award further compensation or ask that Lloyds do anything more regarding this complaint.

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.

Lloyds didn't respond to my provisional decision. Mr K provided some comments reiterating some of his earlier submissions. So I don't think there's anything new I need to comment on and so my decision remains the same.

My final decision

For the reasons explained above, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K and Mrs N to accept or reject my decision before 1 August 2025.

Abdul Ali
Ombudsman