

## **The complaint**

H, a limited company, complains that Lloyds Bank Plc left a status of “refer” on their director’s records with an external database after the bank closed their accounts. They’d like that marker removed.

## **What happened**

H held an account with Lloyds. But in August 2024 Lloyds wrote to the director to say that they would be closing the account in two months’ time. The director appealed this decision, but Lloyds didn’t change their minds. The account closed in November 2024.

The director later found that Lloyds had recorded a marker with a status of “refer” against him with a fraud prevention database. He said this led to difficulties with her personal bank account. He complained to Lloyds about the closure and the marker, who responded to say that they were satisfied they hadn’t made an error and would not be changing this status.

Dissatisfied with this the director referred H’s complaint to our service. One of our investigators looked in to what happened, but he didn’t think Lloyds needed to do anything further. He explained that the marker was against the director personally, and so we couldn’t consider the impact of it as part of a complaint from H. But he felt that the closure of H’s accounts was reasonable, and didn’t think Lloyds needed to do anything further.

The director of H didn’t agree – saying that he understood Lloyds had the right to close the account, but his complaint was always about the “refer” status. He asked for an ombudsman to review the complaint, so it has been passed to me to decide.

## **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 appreciate the director of H has specified that his complaint is about the status of “refer”, but as the investigator has explained this is not an issue we can consider in this complaint – the marker is against the director personally, rather than H. And we’ve already decided that we cannot consider a complaint from the director personally about the status, as it arises out of H’s relationship with Lloyds, rather than the director personally. So, it falls outside the remit of our service.

So, while I understand the director doesn’t see that the closure of H’s account need to be considered, and has accepted that Lloyds had the right to do this, this is the only relevant aspect of H’s complaint I can consider. And if I felt the decision to close H’s account was unreasonable or mistaken, Lloyds may choose to review the status of the marker themselves.

But here I’m satisfied that the closure of H’s account was reasonable. There’s no specific obligation on Lloyds to explain the reason for the closure – which is ultimately what has led

to them recording the “refer” status. And they have declined to provide H or the director with any further information. But they have provided their reasoning to our service.

The rule of our service allow us to treat certain evidence as confidential in certain circumstances, such as if it contains commercially sensitive information or details of security procedures. Here, I’m satisfied that it’s reasonable to treat Lloyd’s reasoning as confidential, so I won’t be detailing it in full here. But I’m satisfied that the decision to close H’s accounts was reasonable, and a legitimate commercial decision they were entitled to make. I’m also satisfied that Lloyds gave the appropriate notice as required in the account terms.

I’m not persuaded that Lloyds have been unfair or unreasonable in the way they’ve handled the closure of H’s account. On that basis I’m not asking them to do anything further.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask H to accept or reject my decision before 25 August 2025.

Thom Bennett  
**Ombudsman**