

The complaint

Mr W complains about the service provided by Lloyds Bank PLC when it blocked a payment he wanted to make until he completed further security checks.

To put things right Mr W would like Lloyds to pay him financial compensation.

What happened

On 10 February 2025, Lloyds declined a payment and suspended his online banking when Mr W tried to transfer an amount via mobile banking from his Lloyds account to another account in his name. Mr W objected to having to phone Lloyds about this and answer questions about the transaction he wanted to make before Lloyds approved the payment.

When Mr W complained to Lloyds about what happened, Lloyds didn't uphold Mr W's complaint. It said his payment had been flagged for an additional security check and Lloyds needed to speak to Mr W to confirm if it was genuine. Lloyds said this was in line with its process and its automated system had worked as intended. Mr W didn't feel this was a satisfactory response and so he brought his complaint to us.

Our investigator didn't consider that Lloyds did anything wrong. Mr W strongly disagreed with our investigator. He mainly said there was '*...zero risk of fraud*' in this instance and he shouldn't have had to '*...waste my time because their processes are so appallingly poor...*'

Mr W's complaint 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.

Having thought about everything, I've independently reached the same overall conclusions as our investigator. I'll explain my reasons.

I've briefly summarised and expressed in my own words what seem to me to be Mr W's main concerns and my focus is on what I think are the key issues here. Our rules allow me to do this and this approach simply reflects the informal nature of our service as a free alternative to the courts. My role is to consider the evidence presented by both parties and reach what I think is an independent, fair and reasonable decision based on the facts of the case. I must be impartial. So I've looked at what happened with all this in mind.

Mr W told us he thinks that banks are deliberately making transfers difficult and their processes are unacceptable. But how financial businesses (including Lloyds) choose to operate and their internal processes come under the oversight of the regulator - the Financial Conduct Authority (FCA). So it's not up to me to tell Lloyds how it should verify payments.

I appreciate that Mr W feels strongly that Lloyds had no valid reason for flagging his transfer for further checks. But Lloyds can't simply rely on Mr W approving the proposed transfer. Lloyds has to have processes set up to comply with legal and regulatory obligations designed to keep customers' money safe.

Lloyds' automated fraud prevention system identified the need for a check before Mr W's payment could be authorised and suspended his account access until he completed further verification. The relevant account terms and conditions, which Mr W would've agreed to in order to be able to use his account, allowed Lloyds to take this action in these circumstances.

Lloyds has a duty of care to protect customers' money. It makes no difference here that Mr W wanted to pay the money to another account in his name or that he'd completed initial security when he logged in to his account and he was attempting a payment he'd made before. I understand Mr W found it inconvenient having to phone Lloyds and the call took longer than he expected or thought was necessary. But Lloyds was entitled to make enquiries of Mr W until it was able to be satisfied that it could safely approve the transaction. So, despite Mr W's objections, I don't think Lloyds acted unfairly or unreasonably when it took the steps it did to verify what it needed to know about Mr W's transfer request. And I think it's likely the call took longer than he expected partly because he took the opportunity to express his dissatisfaction with the process and his complaint was escalated.

After completing the necessary checks, Lloyds allowed the payment to go through and it completed the same day. So, to sum up:

- I haven't found that Lloyds made any error or acted unreasonably when it blocked the transfer Mr W wanted to make and locked him out of online and mobile banking.
- I haven't found that Lloyds blocked the transfer for any longer than was fair and reasonable.

I recognise that Mr W found all this frustrating. But to uphold this complaint I would need to be able to fairly say that Lloyds did something wrong or acted in a way that wasn't fair and reasonable – and I haven't found that it did. It follows that I can't award compensation as Mr W would like me to. And I won't be asking Lloyds to do anything more.

I appreciate that my decision will be disappointing for Mr W but I hope that setting things out as I've done helps him to understand how I've reached my conclusions.

My final decision

My final decision is that I don't uphold Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 9 September 2025.

Susan Webb
Ombudsman