

## **The complaint**

The estate of Mrs S (the 'Estate') has complained that Lloyds Bank PLC failed to protect Mrs S' funds, because it should have been clear she had compulsive spending issues.

## **What happened**

The Estate has explained that from 2014, Mrs S regularly bought items (particularly, jewellery) from TV-shopping channels. The Estate feels this was addictive and compulsive spending. And at one stage, it amounted to a purchase almost every other day. It feels Lloyds should have recognised this, and taken steps to protect Mrs S, including contacting her and blocking a substantial number of the payments.

Lloyds disagrees, and says Mrs S' spending wasn't unusual, and represented how she had spent her money for many years.

One of our investigators looked into what had happened, but didn't think it would be fair to ask Lloyds to refund the transactions. She felt that Mrs S had been spending within her means, and was using her funds as she wished. The account always had a healthy balance, with no overdraft concerns (such as consistently using an overdraft, or requesting an increase to fund spending), so there were no concerns about how it was handled. Our investigator considered that Mrs S used her own funds to purchase items as she desired, without putting herself into financial difficulties.

However, she was aware that Lloyds had offered £250 for how it handled matters, in particular how statements were sent to the Estate, and using Mrs S' name after she had sadly passed away. She thought this was fair.

The Estate disagreed. It felt that Lloyds had failed in its duty of care to Mrs S, as it did nothing to intervene in her compulsive spending, which began abruptly in mid-2014, with no prior spending of this nature, and continued until she passed away. The Estate wants to know why such a large and fundamental change in spending habits wasn't flagged by Lloyds.

## **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'd also like to extend my sincere condolences to the Estate for the passing of Mrs S. I understand that bringing this complaint must have been difficult and painful, and I'd like to assure the Estate that I've considered it very carefully. But, I'm not upholding it. I know this will be very disappointing, but I'll explain why.

I understand why a change in spending can be a cause for concern. And I agree that Mrs S hadn't been in the habit of using online shopping channels prior to 2014. But, it's also the case that Mrs S always had sufficient funds in her account, and where she spent her money would not necessarily be sufficient to raise any 'red flags'.

Although it's the case that Mrs S made regular purchases, I haven't seen sufficient to persuade me that this was indicative of a compulsive spending habit. I say this, because it does not appear to have caused her any problems. There's nothing to suggest it wasn't simply how she chose to enjoy her funds.

I also have to bear in mind, that (in the absence of criminal activity), banks are typically obliged to allow their customers to spend their funds as they wish. I cannot know for certain what would have happened if Lloyds had contacted Mrs S to discuss her spending. And, I appreciate this is a cause of frustration and upset for the Estate. But, there's nothing to suggest to me, on balance, that she wouldn't have wished to continue making the purchases she was, that appeared to give her pleasure.

Potential compulsive, or addictive, behaviour can be very challenging to consider. And I appreciate the emotions and questions that have of course been raised in the minds of the Estate. But, having considered all submissions very carefully, I'm not persuaded that Lloyds should have intervened – or, if it had, that the outcome would have been different.

Finally, I've looked at the payment offer Lloyds made to the Estate, regarding letters addressed incorrectly, and blank statements being sent. Technically, an Estate cannot suffer 'distress', although it can suffer inconvenience. I understand this is a fine point, and it's not my intention to offend the Estate. But, it does limit how much I can consider the errors made. So, with this in mind, I think £250 is fair, for the inconvenience of needing to request further statements.

I once again extend my sincere condolences to the Estate, and to Mrs S' wider family.

### **My final decision**

For the reasons given above, it's my final decision not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs S to accept or reject my decision before 3 November 2025.

Elsbeth Wood  
**Ombudsman**