

The complaint

Miss A complains that Lloyds Bank PLC mistakenly closed her bank account without warning and took over two weeks to replace a bank card for an account she manages for her son.

What happened

Miss A called Lloyds on 6 April 2025 when she hadn't received a bank card for her son's account that she reported lost two weeks before. She said Lloyds advised of a glitch in its system. Later on, Miss A was shopping when her own bank card was declined in store and at an ATM. She said Lloyds explained her account was closed following her earlier call.

Miss A described her distress and embarrassment and said Lloyds offered no solution other than compensation of £100 for her having to take leave from work to visit a branch. Lloyds said it would send replacement cards, but Miss A said she had no other means of payment and was left with no money. Miss A complained and requested compensation for the stress and upset she has been caused by not being able to access money for over a week.

Lloyds said someone found Miss A's card and this was processed as lost triggering a text that a new card would be sent. Lloyds said this was incorrect as Miss A hadn't reported the card as lost. Miss A called on 15 March 2025 for confirmation that only the lost card was frozen, but there was no conversation about ordering a new card. Lloyds apologised and paid Miss A £40 and apologised for the incorrect information.

Lloyds said of the call on 6 April that Miss A found the suggestion to borrow money from family and friends very rude. Lloyds said this and other options were not feasible for her at that time, but its agent was politely trying to help her. Lloyds disagreed this was poor service.

Miss A wasn't happy with Lloyds' response and referred her complaint to our service. Lloyds reconsidered and acknowledged it had left Miss A without access to her accounts other than visiting a branch, but this was on a Sunday. Lloyds was sorry its text stated a new card was on its way and that this wasn't explained when Miss A called. Lloyds said it made matters worse by cancelling the wrong debit card and offered Miss A a total of £300 compensation.

Miss A was still unhappy and requested a full investigation. She didn't feel her complaint had been fully listened to, or that Lloyds accepted it was wrong to close her account. Miss A said she is deeply upset and hasn't received, 'a solid apology'. She asked 'am I not worth more than £300' to better reflect the distress, time, and effort she put in to access her money. And confirmation that no adverse records (such as credit markers) have been put in her name.

Our investigator said a person reported the lost card, and Lloyds cancelled it and texted Miss A to that effect and mistakenly said a new one was in the post. As Miss A hadn't cancelled the card it was understandable Lloyds wouldn't have sent a new card. However, Miss A had every reason to believe a new card was on the way and called Lloyds on 15 March 2025.

The investigator said Miss A was concerned the wrong card may have been cancelled and called Lloyds on 6 April to say she could be left without access to funds. The adviser asked if she was referring to the card for her account, which she mistakenly confirmed, and this was

then cancelled and a new one ordered. Both Miss A's cards were now cancelled, and the investigator said the adviser should have realised he was looking at the wrong account.

When Miss A was unable to pay for her shopping she called Lloyds, but it couldn't reactivate the card. The adviser tried to find other ways for Miss A to pay, including digital services, but she was uncomfortable with this. Miss A took exception to the suggestion she could borrow money from friends or family. The investigator didn't think any offence was intended.

The investigator said £300 compensation is fair as it reflects Miss A's time without a debit card and the effort to sort this out with significant inconvenience over a period of weeks. He said Miss A had to get cash from the branch – which was difficult due to her work schedule. Her statements show she was without her card until 13 April 2025. He was pleased Lloyds took full accountability for causing Miss A avoidable distress and inconvenience.

Miss A disagreed with the investigator and requested an ombudsman review her complaint. She did not believe Lloyds' response fully reflects the seriousness of what she went through, or took proper account of the wider impact on her life. She said she was without access to funds 'for almost a month'. And visiting a branch to withdraw funds was impractical given her work and personal responsibilities. She said she was left financially stranded.

Miss A said she had been a customer of Lloyds for over 20 years and loyalty should matter, but she had since closed her account. She said £300 compensation didn't fairly reflect what has happened. Miss A said, although she has another bank account, she uses it for separate purposes and at the time, most of her funds were in the Lloyds account. She said she had limited ability to transfer funds quickly, which made the situation particularly distressing.

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 was sorry to learn that what should have been a straightforward process of obtaining a replacement bank card has turned into an upsetting and drawn-out experience for Miss A. My role is to determine whether what took place was reasonable and whether Lloyds has treated Miss A fairly in its resolution of her complaint. In that respect I have access to Lloyds' records including the card and text entries for Miss A and call recordings.

What's not in question is whether Lloyds made mistakes. They acknowledged that they cancelled the wrong card in error, and that they failed to identify and correct this error when Miss A called. I'm glad to see that Lloyds have apologised for those errors and offered compensation. Miss A would like a review of her complaint so that the full human and financial impact can be properly considered in terms of the appropriate compensation.

Lloyds initially told Miss A that it understood '*that sometimes dealing with situations like this can be frustrating*'. I think Miss A will consider this something of an understatement as she was extremely angry and embarrassed and described the situation as '*catastrophic*' and '*disastrous*'. So I think at first, Miss A was correct to say that Lloyds had not taken her complaint sufficiently seriously or acknowledged the emotional and practical impact of that moment, and the days that followed.

Since then, Lloyds reconsidered Miss A's complaint and acknowledged it had provided her with incorrect information about a replacement card and that its adviser made a mistake in cancelling her active card. Lloyds said, '*Due to our error, we left Miss A without use either of her accounts to withdraw cash or use her debit card. The only way Miss A could obtain cash*

would be to visit her nearest branch. However, this happened on a Sunday so there would be no branches open'.

Lloyds further explained that it could understand why Miss A was confused and reached out to its customer services for clarity. Lloyds apologised for sending a text that a new debit card was on its way and apologised that this wasn't explained when Miss A called the same day. Lloyds went on to say, '*We made matters worse by cancelling the debit card*' on Miss A's other account when she called.

Lloyds' adviser suggested other means by which Miss A might obtain funds as a way of helping her in a crisis. These included that Miss A could use a mobile app or visit a branch to obtain funds. Lloyds paid Miss A £100 compensation as she said she would have to take annual leave to visit the branch. I agree with the investigator that Lloyds' adviser was doing everything possible to find a solution and was doing so in a concerned and polite manner.

One suggestion was that Miss A might ask friends or family for help. My impression is that the adviser was attempting to help Miss A deal with the bank's error, though clearly, she was offended by this suggestion. Lloyds said, '*We are extremely sorry this upset Miss A, this was certainly not our intention*'.

Miss A told us she couldn't access her money for a week and later that the impact of this was for a month. She also said she had no access to other money but has another account. From her account statement it appears she was without a card for one week. Miss A described the most distressing and embarrassing moment for her and her son as being unable to pay for her shopping at the till. In response, I consider Lloyds to have made as fulsome an acknowledgement of its mistakes and an apology for their impact as I would expect to see in dealing with the circumstances Miss A faced. I haven't seen any evidence of an adverse credit marker against Miss A as a consequence of this incident.

In assessing the impact of Lloyds' actions towards Miss A I have considered all of the events that took place. It's clear that Miss A experienced a very distressing incident when her debit card was declined and this was followed by the considerable inconvenience of not having access to a working debit card and having to visit a branch.

We generally consider compensation of £300 to be a fair and reasonable reflection of considerable distress and inconvenience, upset, and worry Miss A experienced due to Lloyds' mistakes and poor communication. Our guidance describes this award as representing the impact of disruption over week - maybe even months that takes a lot of extra effort to sort out.

Our service investigates the merits of complaints on an individual basis and that is what I've done here. I think it's important to explain that my decision is final. I realise that Miss A will be disappointed by this outcome though I hope she appreciates the reasons I have reached this decision. By rejecting this decision all options remain open to her.

My final decision

For the reasons I have given it is my final decision that the complaint is upheld. If this decision is accepted by Miss A, I require Lloyds Bank PLC to pay her £300 compensation in total (less any amount already paid) for the distress and inconvenience it has caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 13 October 2025.

Andrew Fraser
Ombudsman