

The complaint

Mr R is unhappy that Lloyds Bank PLC didn't send a new credit card to him in a timely manner.

What happened

On 13 January 2025, Mr upgraded his credit account with Lloyds as he wanted to use benefits provided by the upgraded account. The following day, Mr R called Lloyds as he couldn't see that he had access to the benefits on his Lloyds mobile app. Lloyds explained that the account upgrade meant that a new credit card would be sent to Mr R, and that Mr R would need to receive that new card before he could use the benefits offered by the upgraded account. And Lloyds explained that the new credit card should be with Mr R within five to seven working days.

Mr R still hadn't received the new card on 18 January, when he went overseas on holiday. And when he returned to the UK on 28 January, he found that the card still hadn't been delivered. Then, on 11 February, Mr R's old credit card, the card in his possession, stopped working, with the replacement card still not having been received. Mr R wasn't happy about this, so he raised a complaint.

Lloyds responded to Mr R and explained that an error had prevented the new card from being produced such that it had never been sent out. Lloyds apologised to Mr R for what had happened and paid £100 to him as compensation for any trouble or upset he may have incurred as a result but confirmed that they were unable to give a date as to when the new card would be sent out. Mr R wasn't satisfied with Lloyds' response, so he referred his complaint to this service.

One of our investigators looked at this complaint and liaised with Mr R and Lloyds about it. During their review, Lloyds confirmed that Mr R had cancelled the account upgrade, reverting to how his account had been previously, and had now received a new card. Lloyds also confirmed that while Mr R had been charged a £15 account fee for the upgraded account, that fee had been reimbursed to him. Finally, Lloyds offered to pay a further £150 compensation to Mr R for the ongoing frustration and inconvenience he'd incurred.

Our investigator felt that Lloyds updated offer represented a fair outcome to Mr R's complaint. However, Mr R didn't agree, and so the matter was escalated to an ombudsman for a final decision.

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 done so, I note that in his correspondence with this service, Mr R has referred to legal and regulatory points which he feels Lloyds haven't acted in accordance with. It's therefore important to confirm that this service isn't a regulatory body or a Court of Law and doesn't operate as such. This means that I have neither the remit nor the authority to decide

whether Lloyds have or haven't in accordance with law and regulation. And while I have taken relevant law and regulation under consideration when deciding this complaint, I've ultimately come to my decision based on what I feel is a fair and reasonable outcome, as per the remit of this service.

Mr R has also made reference to an additional cardholder on his account, who has also been impacted by what's happened. However, the rules by which this service must abide, which can be found in the Dispute Resolution ("DISP") section of the Financial Conduct Authority ("FCA") Handbook, include that this service can only consider a complaint by an eligible complainant.

The DISP rules also outline the criteria for being an eligible complainant, and additional cardholders do not meet that criteria and are therefore not eligible complainants. This means that I'm unable to consider any impact on the additional cardholder, and that I can only consider the impact of what happened on Mr R, who is an eligible complainant.

Mr R has said that because Lloyds didn't send out his replacement credit card, he was denied access to the benefits of his upgraded account, several of which he wanted to use while he was overseas on holiday.

Mr R upgraded his account on 13 January. Lloyds' website confirms that new credit cards arrive within five to seven working days, and this was also confirmed to Mr R verbally when he spoke with Lloyds. This means that it's unlikely that Mr R would have received the new card before 20 January – which was five working days after 13 January. But Mr R travelled overseas on 18 January, which was before the replacement card would have arrived at his house, had Lloyds posted it when they should have done.

Because of this, I don't uphold Mr R's complaint that his holiday was disrupted because of Lloyds' delays. Instead, I feel that Mr R unfortunately upgraded his account too late to receive the replacement card before he travelled overseas, such that even if Lloyds hadn't made any form of error here, he still wouldn't have received the replacement card in time.

That isn't to say that Mr R hasn't been impacted by what happened. But it is to say that I feel that Mr R has only been impacted by Lloyds not sending the card from 28 January onwards, when he returned to the UK from his holiday.

Notably, Mr R was able to use his old credit card until 11 February, and as per his account statements he did so at the airport on both his outward and inward journey, and also within the UK, after his holiday had ended.

But it isn't in dispute that Mr R couldn't use his card from 11 February until he cancelled the account upgrade and obtained a new card for his non-upgraded account, or that Mr R wouldn't have been frustrated by not having received his new card after returning from holiday. Mr R also didn't have access to the benefits offered by the upgraded account when he returned from holiday, although this is offset slightly by the fact that Lloyds reimbursed to upgraded account fee to him, meaning that it isn't the case that he's paid for benefits that he hasn't received.

Taking all these factors into consideration, I feel that the updated offer by Lloyds to pay a further £150 compensation to Mr R, taking the total compensation payable to £250, does represent a fair outcome to this complaint. And so, while I will be upholding this complaint in Mr R's favour, I'll only be doing so to instruct Lloyds to pay the additional £150 to Mr R that they've already agreed to pay.

In reaching this position I've considered the impact of what happened on Mr R from when he

returned to the UK to when he received a working credit card, alongside the general framework this service uses when assessing compensation amounts, details of which are on this service's website. And having done so, I feel that a total compensation amount of £250 is fair, and I confirm that it's commensurate with what I might have instructed Lloyds to have paid, had they not already offered to do so.

I realise this won't be the outcome Mr R was wanting, and I acknowledge that matters of compensation can be subjective, with an amount considered fair by one person not being considered as such by someone else. But I hope that Mr R will understand, given what I've explained, why I've made the final decision that I have.

Putting things right

Lloyds must pay a further £150 to Mr R, so that the total compensation amount is £250.

My final decision

My final decision is that I uphold this complaint against Lloyds Bank PLC on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 21 August 2025.

Paul Cooper
Ombudsman