

## **The complaint**

Ms O complains that Lloyds Bank Plc closed her accounts without giving a reason, and prevented her from switching her current account elsewhere. She'd like them to justify why they closed her accounts.

## **What happened**

For clarity, this decision only concerns Ms O's complaint about the closure of her Lloyds Bank account. I am aware she has other complaints about accounts held with the same banking group, but this decision solely deals with the Lloyds account itself.

Ms O held accounts with Lloyds, including a current account. But in February 2025 Lloyds took the decision to close her current account and sent a letter to say they would be closed in 60 days' time.

But Lloyds also decided to withdraw some banking facilities straight away, such as the online bank. Ms O only discovered this when she went to access her online banking and found she couldn't. She complained to Lloyds, who apologised for the difficulties this caused. But they didn't offer to do anything further.

After having difficulty using the current account switching service, Ms O requested her accounts be closed in April 2025. But she remained dissatisfied and referred her complaint to our service. One of our investigators looked into what happened but didn't think Lloyds had done anything wrong.

Ms O disagreed, and as such the complaint has now 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.

Lloyds, like all financial businesses in the UK, have a broad commercial discretion on who they provide accounts to, and on what terms. Generally, they're free to choose who they have as customers, and it would be rare for our service to say that they should continue to service an account when they've taken the decision to close it. Instead, we'd look to see that the account was closed reasonably, and in line with the terms of the account.

Here, the terms of Ms O's account say that Lloyds can close an account for any reason, so long as they provide 60 days' notice. Here, Lloyds did provide notice to Ms O of their intention to close the account – albeit while she appears to have been away. But I also note that they took the decision to remove several standard banking services – such as the online banking. So, I understand that this could be seen as removing the major functionality of the account immediately. And under the terms the immediate closure can only be done in limited circumstances.

Lloyds aren't under any specific obligation to tell Ms O why they've closed her account – and here they've declined to do so. So, while I've no doubt Ms O would like to know more, it wouldn't be appropriate for me to compel them to explain their reasoning to her.

But Lloyds have given our service more information about the closure, and their reasons for doing so. The rules of our service allow me to treat certain evidence as confidential – such as where it involves information that's commercially sensitive, or about security procedures. Here I'm satisfied that it's appropriate that I treat Lloyds' reasoning as confidential. So, I'm sorry to Ms O that I won't be detailing it in full here.

Having considered the reasons given, while Lloyds can certainly choose to close Ms O's account, I'm not necessarily persuaded that an immediate withdrawal of some of the key banking features was justified. But I also note from the account statements given that the account didn't have a balance at the time – and had been for several months prior. There isn't any evidence of regular payments either into or out of the account. I'm not satisfied that this had any material impact on Ms O.

Overall, I can see why Mrs O was disappointed that Lloyds' closed her account. But I'm not persuaded that Lloyds need to do anything further.

### **My final decision**

My final decision is that Lloyds Bank plc do not need to do anything further to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 23 February 2026.

Thom Bennett  
**Ombudsman**