

## **The complaint**

Mr C complains Lloyds Bank PLC (“Lloyds”) decided to close his account due to unacceptable behaviour in branch after Lloyds had blocked it for security purposes. Mr C denies behaving in a way that warrants his account being closed in this way.

## **What happened**

The details of this complaint are well known by both parties, so I won’t repeat them again here. Instead, I’ll focus on giving my reasons for my 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 have decided not to uphold this complaint. I’ll explain why.

Banks in the UK are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship, including individual payments. That sometimes means banks need to restrict their customers’ accounts.

Lloyds restricted Mr C’s account in October 2024 after he attempted to make a payment. Having carefully considered this, and Lloyds’ wider obligations which including protecting itself and its customers from suffering financial harm, I’m satisfied Lloyds did nothing wrong in doing so.

Lloyds is entitled to close an account just as a customer may close an account with it. But before Lloyds closes an account, it must do so in a way, which complies with the terms and conditions of the account. The terms and conditions of the account, which Lloyds and Mr C had to comply with, say that it could close the account by giving them at least two months’ notice. And in certain circumstances it can close an account immediately or with less notice.

Lloyds closed Mr C’s account with two months’ notice, and it did so because it found he had behaved improperly by being abusive and/or threatening to its staff. Lloyds reached this determination based on Mr C’s behaviour in one of its branches on 24 October 2024, a day after the account had been blocked.

Mr C strongly argues his behaviour hadn’t been improper or abusive in the way Lloyds suggest. I’d like to assure Mr C I have carefully considered everything he’s said about this, including that the CCTV footage shows he wasn’t acting in this way. I’ve listened carefully to the call recordings provided to me – which includes the key call when a branch member called Lloyds’ fraud team in the presence of Mr C on 24 October 2024. And I’ve reviewed the CCTV footage from this interaction. Having done so, I’m persuaded Lloyds acted in line with its terms and condition when deciding to close Mr C’s account in the way it did.

Key to this finding is the consistency in the written records Lloyds have given me about

Mr C's threatening and abusive behaviour from the manager and the branch staff. The call recording from the 24 October 2024 also bears out that the manager saw Mr C being abusive by shouting at the branch colleague, slamming the telephone, and holding up his middle finger at them. Mr C accepts he did the latter. The manager also says, in what is a contemporaneous account, that Mr C's behaviour was threatening.

I accept the CCTV footage doesn't support this entirely – but that's mainly because it doesn't have any supporting audio.

So, taken together, I'm satisfied the evidence shows Lloyds acted fairly in closing Mr C's account. I'm also satisfied Lloyds closed the account in line with its internal processes for such instances of abusive behaviour.

I note Lloyds could've closed Mr C's account with immediate effect given what its terms say. But Lloyds chose to give Mr C two months' notice of closure. This would've been to Mr C's benefit given he had sufficient time to move his banking services without the significant disruption an immediate closure would likely have caused.

So, it follows that I won't be directing Lloyds to reinstate Mr C's account. Nor do I think there is basis to award Mr C any compensation for the distress and inconvenience he suffered given I don't think Lloyds have done anything wrong.

### **My final decision**

For the reasons above, I have decided to not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 5 September 2025.

Ketan Nagla  
**Ombudsman**