

The complaint

Mr B complains that Lloyds Bank PLC suspended his debit card while he was abroad.

What happened

Mr B travelled abroad for his honeymoon in September 2024. He took a small amount of local currency and his Lloyds debit card with him as he says he'd never had any issues using his card abroad previously.

However, when he attempted to withdraw cash from a cash machine his card was declined. He contacted Lloyds, but he says the solutions it offered to resolve the problem were not feasible or didn't work. For example, he was told to visit a branch or upload photos of his driving licence to the banking app.

Ultimately, Mr B says he was told to go to a cash machine and contact it when he was there. The restriction would then be lifted temporarily allowing him to obtain cash. But each time he got to a cash machine, he couldn't reach a staff member straight away and it was several hours before his calls were returned – involving multiple visits to the cash machine.

The restriction on Mr B's account was lifted on 30 September 2024, which meant Mr B was without access to money in his account for four days. And Mr B says the whole matter caused him distress and inconvenience while he should have been enjoying his honeymoon.

Mr B complained to Lloyds. It said that it blocked Mr B's debit card to safeguard his account until it was able to successfully verify him. It said it had not been able to locate any call recordings to determine what had happened after the card was blocked. But it accepted what Mr B's version of events. It apologised and paid Mr B £50 compensation in recognition of the poor service he had received.

Mr B didn't think this went far enough to put things right and he referred his complaint to this service – he felt £500 compensation was fairer. One of our investigators looked into the complaint. She said that Lloyds hadn't treated Mr B unfairly when it blocked his card. But she recognised Mr B had been caused distress and inconvenience when the options Lloyds offered didn't resolve matters. She recommended that Lloyds increase the compensation award to £100.

Lloyds accepted the investigators recommendation. But Mr B asked for his complaint to be escalated to an Ombudsman. So, it was passed to me, and I issued a provisional decision.

What I said in my provisional decision dated 1 August 2025

Like most banks, Lloyds' account terms and conditions under the heading Section C – Security, make provision for it to decline/block transactions. This generally means that a Lloyds' fraud detection system will flag any unusual activity on an account.

Given the wider backdrop of fraud being on the rise and because it's generally considered that UK citizens are more vulnerable to fraud when travelling abroad, I'm satisfied that it's reasonable for Lloyds to have such procedures in place.

But this does mean that - on occasion, legitimate transactions get stopped/declined. And this can cause distress and inconvenience to a customer – but it doesn't necessarily mean the bank has acted incorrectly as all banks and building societies have an obligation to try and keep their customers' accounts safe and prevent them from being victims of fraud.

I've not seen anything to suggest that Mr B informed Lloyds of his intention to travel abroad and the transactions Mr B was making were not usual transactions for him given they were undertaken abroad. So, I don't find Lloyds did anything wrong when its fraud detection system flagged and declined the transactions it did.

Overall, given the above, I don't find Lloyds treated Mr B unfairly when it initially blocked his debit card. So, I've gone on to consider whether Lloyds provided Mr B with reasonable support while he was abroad without full access to money in his account.

Lloyds initially said it couldn't find the calls Mr B says he had with it to ascertain exactly what happened. So, it accepted Mr B's version of events and paid him £50 compensation. In the absence of any other information, the investigator had no reason to dispute what Mr B had told us and she thought £100 more fairly recognised the impact on Mr B.

However, since the case has been passed to me, Lloyds has been able to trace two calls Mr B made to it on 26 September 2024.

I've listened to those calls. And I'm satisfied that Lloyds had reason to think Mr B's card had been compromised – Mr B was unable to identify a number of transactions Lloyds said had been attempted but declined using his card details.

The call recording goes on to broadly concur with what Mr B has told us happened and ultimately, he was told to go to a different cash machine (not the one he used in his hotel), to call Lloyds from there, and it would lift the block temporarily to allow him to withdraw cash. And it provided Mr B with a direct line number to its fraud department. This doesn't seem an unreasonable suggestion given the above.

Lloyds is unable to confirm what happened after this. Mr B says that each time he got to a cash machine, he couldn't reach a staff member straight away and it was several hours before his calls were returned – involving multiple visits to the cash machine. Given Mr B was on his honeymoon, and he needed cash, I'm persuaded that his testimony is an accurate reflection of what happened.

Furthermore, it's not in dispute that the block on Mr B's card was lifted on 30 September 2024. Lloyds doesn't have a recording of this call or any contact notes that were made at the time, to explain why it felt the block could be fully lifted at this point. So, on balance, I'm persuaded that the block could have been fully removed on 26 September 2024.

Taking all this into account, I'm persuaded that Mr B was caused unnecessary distress and inconvenience during the four days he was abroad without normal access to his account. So, what I need to decide is whether £100 compensation (£50 already paid, and a further £50 recommended by the investigator) fairly recognises the distress and inconvenience caused to Mr B.

I've thought carefully about this. And I've taken into account that Mr B has told us he didn't take any other form of payment card on his holiday, and his statements show he was able to withdraw some cash due to the process Lloyds implemented. But Mr B was on his honeymoon when this happened, and I appreciate repeated calls to Lloyds and visits to a cash machines over the four days would have caused him distress and inconvenience – particularly, as I'm persuaded that the block could have been lifted sooner than it was. Overall, I find Lloyds could have dealt with the problems Mr B faced better than it did. So, I think it's fair that Lloyds should pay Mr B total of £250 compensation (£50 already paid).

Mr B has mentioned the impact on his wife. But Mr B's debit card is linked to his sole account with Lloyds, so we can only consider compensation for the impact the problem had on Mr B.

Responses to my provisional decision

Lloyds accepted the provisional decision. Mr B accepted the compensation payment, but he added that he'd like an apology from the complaints manager who handled his complaint. He said he felt that his complaint points were dismissed. He also said he'd like an explanation about what steps Lloyds was taking to ensure that what happened to him doesn't happen to anyone else.

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.

Mr B is unhappy with how Lloyds handled his complaint. He feels Lloyds dismissed his concerns. But complaint handling is not a regulated activity and not something this service generally comments on. But for completeness, we don't ask businesses to provide an apology from individual staff members – the complaint is against about Lloyds not the individual staff member. And in its final response letter to Mr B's complaint, Lloyds did apologise and acknowledged the service it provided could have been better than it had been. Where a customer remains unhappy with a business' response to a complaint, they are able to refer the matter to this service for an independent review. And that's what happened here. So, I won't be asking Lloyds to issue any further apology to Mr B.

I think it would be helpful to explain to Mr B that we are not the regulator – we are a complaints resolution service. Our remit is to consider the individual circumstances of a complaint to decide if there has been a financial loss and or material distress and inconvenience caused to that customer because of something the business did wrong. We have no remit to tell a business to change its processes or ask it to tell us how (or if) it intends to change its processes. It's unfortunate that mistakes do happen, and while businesses learn from what has wrong when a complaint is raised, there is never any guarantee that similar mistakes won't happen again.

In this case, I agreed that Lloyds could have handled what happened to Mr B better than it did. And I set out what I intended to award for the distress and inconvenience caused to him. Having considered the matter again - including Mr B's most recent comments, I'm not persuaded to depart from my findings set out in my provisional decision.

My final decision

For the reasons given above, and in my provisional decision, I uphold this complaint.

Lloyds Bank PLC should now pay Mr B a total of £250 compensation (£50 already paid) in recognition of the distress and inconvenience caused to him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 3 September 2025.

Sandra Greene
Ombudsman