

The complaint

Miss L complains Lloyds Bank PLC keeps on blocking her accounts even though she's more than able to manage her finances and that it constantly questions her but doesn't listen.

What happened

Miss L has three accounts with Lloyds Bank – a current account, a savings account, and a basic account.

Miss L says Lloyds Bank limited her current account in 2024. She says that this limitation was lifted but that Lloyds Bank then placed a total block on her current account.

Miss L complained to Lloyds Bank and to us. She said at the time that Lloyds Bank had blocked all three accounts and that this was having a huge impact on her. For example, that she wasn't able to pay bills, access her benefits, buy food, or pay her support workers.

Lloyds Bank looked into Miss L's complaint and said that it had blocked her accounts as it was concerned she was being scammed and that the police shared their concerns. It accepted that it hadn't dealt with the issue as quickly as it could but said that this was because the police delayed getting back. Lloyds Bank said that it had only questioned Miss L because it was concerned she was being scammed and not because it doubted her ability to manage her finances. Following our involvement, Lloyds Bank offered £250 compensation.

One of our investigators looked into Miss L's complaint and said that they didn't think Lloyds Bank had acted unfairly. In the circumstances, they thought Lloyds Bank's offer was fair and reasonable.

Miss L didn't agree saying that our investigator wouldn't be saying the same thing if she was in her shoes, that she'd been lied to (and it wasn't the first time she'd been lied to) and that our investigator should have acted on what they saw. Miss L asked for her complaint to be referred to an ombudsman for a decision. Her complaint was as a result passed to me.

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.

Miss L has told us that she has high functioning autism, is bipolar and has dyslexia. I can also see – and she's told us this too – that she finds the way Lloyds Bank has acted and continues to act highly frustrating. That's because she feels that they don't believe she's able to manage her accounts – even though she's more than able to do so – and because of the way she questions her and doesn't listen, amongst other things.

I'm satisfied that there were payments that Miss L attempted to make – in order to purchase gift cards – that Lloyds Bank had genuine concerns about. I can understand why Lloyds Bank was concerned about these payments – there were a number of red flags associated with these purchases all of which suggest that Miss L was being scammed / at risk of being scammed. Based on correspondence from the police that I've seen, I'm satisfied that the police came to the same conclusion. I appreciate that Miss L has told us that the police had no concerns after speaking to her, but that's not what the evidence I've seen says. I don't think it's helpful to get more drawn in than that. Instead, I think it's important to say that I don't, in the circumstances, think it was unreasonable of Lloyds Bank to take action to protect Miss L from harm. I do, however, want to consider whether or not Lloyds Bank went too far given that Miss L has told us that she wasn't able to pay bills, access her benefits, buy food, or pay her support workers.

Having looked at all the evidence, I can see that Miss L had problems making some payments. In particular, I can see that she had a problem with a payment to a vet she visited and a problem with a payment to a well-known online food delivery company. Those problems, based on what I've seen, were due to question marks over whether or not they were genuine payments and Lloyds Bank not having a way that it was comfortable with to verify they were short of Miss L coming into branch. I can see that Miss L had a number of other payments reversed and am satisfied that this must have caused problems. I'm satisfied, however, that these payments were reversed because she'd gone over her overdraft limit. In other words, had nothing to do with blocks. In short, I can't see based on Miss L's bank statements that blocks that Lloyds Bank put in place meant that she wasn't able to pay bills, access her benefits, buy food, or pay her support workers.

I can completely understand why Lloyds Bank questioning Miss L about the payments she wanted to make – the ones that meant it was concerned that she was being scammed – had the potential to offend Miss L given how much she values her independence and ability to manage her own affairs. Many people – with or without a condition – find the questions banks increasingly ask in an effort to prevent scams intrusive and a step too far. I don't, however, agree that the questions were based on an underlying and negative assumption about Miss L or that they were intended to come across the way they've been taken. I, therefore, agree that Lloyds Bank hasn't acted unfairly and that it wouldn't be appropriate let alone fair to award Miss L the levels of compensation she's seeking – she's said she's looking for an eight-figure sum – or compensation generally.

Putting things right

Lloyds Bank has offered to pay Miss L £250 in compensation. That's not something I would have told it to do given everything I've just said. But I'm going to require Lloyds Bank to pay Miss L £250 in compensation simply so that she can make that offer legally binding – should she wish to do so – by accepting my decision. I don't expect her to do so – as I'm sure she'll be very disappointed with what I've said – but I'd like to give her that option at the very least.

My final decision

Lloyds Bank PLC has already made an offer to pay £250 to settle the complaint and I think this offer is fair in all the circumstances.

So, my decision is that Lloyds Bank PLC should pay Miss L £250.

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

Nicolas Atkinson
Ombudsman