DRN-5748965

The complaint

Mr M is unhappy with the service that he received from Lloyds Bank PLC.

What happened

Mr M, who suffers with his mental health, activated a new credit card with Lloyds but found that it wasn't showing on his mobile banking app profile. Mr M contacted Lloyds via online chat on 26 May 2025 and asked why he couldn't see his new card on the app, and Mr M also asked whether he had a minimum payment outstanding.

Mr M initially chatted to an advisor who didn't answer either of Mr M's questions, but who transferred Mr M's chat to a different advisor. The new advisor asked Mr M a series of questions and also explained that at the time of the most recent statement that there was a zero balance on that card, so that no payment was due, and that Mr M's next statement would be generated on 19 June and would take into account the spending that Mr M had undertaken since the start of that statement period.

This advisor also asked Mr M to call Lloyds' helpline team, who would be better placed to answer Mr M's query about his new card not showing on the app. Mr M didn't respond to that advisor's message, and so the advisor ended the chat.

Mr M contacted Lloyds via online chat again two days later, on 28 May. On this chat Mr M reiterated that he couldn't see the new card on the app and explained that he'd been asked to call Lloyds but that he found calling difficult because of his mental health. This advisor correctly identified that the reason Mr M's new credit card wasn't showing on the app was because he had applied for the card using different address details to the address Lloyds held for him, meaning that a second profile had been created for him. However, this advisor then asked Mr M to go to branch to rectify the matter, and didn't ask Mr M whether this would be difficult for him given the mental health struggles he'd informed Lloyds about.

Mr M didn't respond to that chat for several hours, and this meant that the advisor that had identified the correct issue was no longer on the chat, and a new advisor took over. That new advisor again asked Mr M to visit a branch with proof of address to resolve the issue, but also asked whether Mr M would consent to Lloyds recording the information he'd given about his mental health on his profile, so that it could be considered by any future advisors that Mr M may chat with. Mr M didn't respond to that request, so the information about his mental health wasn't recorded by Lloyds. Instead, Mr M asked whether there was any way he could avoid having to go into branch.

Unfortunately, because of the time that passed between Lloyds' advisor messaging Mr M and Mr M responding, the chat once again went into a holding status, so that when Mr M did reply the chat was transferred to a third advisor. That advisor then incorrectly stated that it was a discrepancy with Mr M's name, and not the address, that was the problem. Mr M wasn't happy about this and asked why he was receiving different information from different advisors. And Mr M also mentioned that he still hadn't been told whether he had a minimum payment due.

Because of the length of time between responses, this chat was placed on hold once again and then picked up by a fourth advisor. That advisor initially tried to answer Mr M's question about the account payment first but said that the account was closed and that there was no amount to pay. In response, Mr M correctly noted that the advisor was referring to the wrong account, although at that stage Mr M was clearly frustrated and said that he would move to another bank and asked what he needed to do to cancel his accounts. This chat was then closed without Mr M receiving a response.

The following day, 29 May, Mr M began a third chat with Lloyds. The advisor on that chat read the previous chats and noted that Mr M had asked to close his account. The advisor therefore asked Mr M if he wanted to close his account, to which Mr M responded that he did. The advisor then closed Mr M's account.

After the account was closed, Mr M explained that he wanted to raise a complaint about the service he'd received from Lloyds, which included that he was unhappy that the advisor had closed his account rather than seeing if he could help Mr M and potentially avoid the account closure. The advisor apologised if there had been a misunderstanding but noted that he had asked Mr M to confirm that he wanted the account closed before closing it. The advised then raised a complaint for Mr M.

AmEx responded to Mr M's complaint and noted the confusing information Mr M had been given about why his new credit card hadn't shown on the app. AmEx confirmed that it was because of a discrepancy with the address. AmEx apologised for what had happened and paid £75 to Mr M as compensation for any trouble or upset he may have experienced. But AmEx didn't feel that their agent had done anything wrong by closing Mr M's account, given that Mr M had confirmed to the agent that he wanted the account closed. Mr M wasn't satisfied with AmEx's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. They didn't feel AmEx had acted unfairly by closing the account, but they did feel that the standard of service that Mr M had received from AmEx on the online chats reasonably should have been better. This included that Mr M was provided conflicting information about why his credit card wasn't showing on the app, and that some of AmEx's agents reasonably should have been more understanding of the mental health struggles that Mr M had explained to them.

However, our investigator gelt that the response that AmEx had already issued to Mr M, including the apology and payment of £75 compensation, already represented a fair outcome to what had happened. Mr M disagreed, 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, it seems to me that much of Mr M's dissatisfaction arises from the service he received from AmEx on the three online chats he engaged in with them. I've therefore reviewed these chats, and having done so, while I feel that there were instances where AmEx could and reasonably should have provided better service to Mr M, I also feel that there are other instances where the difficulties the Mr M experienced on the chats can reasonably be described as being an unfortunate consequence of the nature of online chats.

If we consider each chat in sequence, it's clear that the first advisor Mr M chatted with didn't fully grasp what Mr M was asking for. But when that advisor did understand what Mr M was asking, they transferred Mr M to a different advisor. That advisor explained to Mr M that he couldn't find the new card in Mr M's profile and asked Mr M what information he provided in his application for the new card. In response, Mr M incorrectly said that he had provided the same information as was registered on his profile, when he had in fact applied for the new card using a new address that he hadn't previously informed Lloyds about.

This resulted in Lloyds' advisor taking a long time to return to Mr M, and when the advisor did return (after approximately 25 minutes) he did provide the account balance and payment information that Mr M was wanting. But it appears that Mr M had left the chat by that time as he didn't make any further responses to it.

Upon consideration of this chat, it's notable that the root cause of what happened here is that Mr M didn't update his address with Lloyds. Additionally, when asked if he had used any new information in his application (such as a different address) Mr M stated that he had not. And while I can appreciate that Mr M may have gotten frustrated with the length of time it took Lloyds' advisor to respond on the chat, such that he eventually left the chat and thus stopped responding on it, he was given information about his account balance and payments that he had requested.

The second chat is much messier, with matters being complicated by long response times by both Lloyds agents and Mr M, such that a total of four Lloyds' advisors took part in the chat, which was relatively short in terms or words and sentences, but which was spread over a period of twelve hours.

In this chat, the first investigator did identify that the issue was a discrepancy with the address. But having been advised by Mr M that he suffered with his mental health and that he found telephone calls difficult, the advisor then asked Mr M to visit a Lloyds branch. This seems somewhat insensitive to me, given that if a person struggles with phone calls it's reasonable to conclude that they might also struggle with a branch visit. And it would have been better if Lloyds' advisor had been more understanding of Mr M's mental health and had looked for ways that Mr M could resolve this situation that were more amenable to him.

The next advisor on the chat was also similarly unsensitive. And while they did ask Mr M if they could have his permission to record the mental health struggles he'd explained, they again asked Mr M to attend a branch and didn't ask Mr M if that option was viable for him.

Mr M was clearly concerned at the prospect of having to go into store, but there was a delay in his responses such that the chat was picked up by a new advisor, who now said that it was a name discrepancy that was the issue and that Mr M could call by telephone, and so didn't have to go into branch. But while this advisor seems to have taken Mr M's discomfort at having to visit a branch into account, they don't appear to have read the chat history and thus missed the crucial point that Mr M had already said that he found telephone conversations difficult.

At this point, there has been a clear breakdown in communication. But this breakdown seems, to a degree, to be understandable to me. This is because there are occasions where the agent or Mr M take a long time to respond to the last chat, meaning that the chat gets placed on hold because of inactivity and the advisor leaves the chat, to be reassigned to more active chats where they are more immediately required. Of course, I can understand that Mr M may have been busy on that day. But I feel that the fragmented nature of this chat was a significant factor in the breakdown of communication that occurred, and I don't feel that the fact that the chat was fragmented can fairly or reasonably be solely attributed to the actions of Lloyds advisors. Rather, I feel that Lloyds and Mr M both bear some accountability for this.

Towards the end of the second chat, Mr M is clearly frustrated, and he states that he wants to close his account. This means that when the third chat begins, the advisor on that chat, having read the immediate chat history, asks Mr M to confirm that he wants to close his account as previously stated. Mr M then answers that he does want to close his account, and the account is closed by the advisor.

Mr M has complained about this point and has said that he would have preferred the advisor on this third chat to have tried to resolve the issues with him rather than just closing the account. But if that were the case, then I feel that it was incumbent on Mr M to have explained that to the advisor, rather than confirming that he wanted the account closed. And I don't feel that Lloyds's advisor did act unfairly towards Mr M by closing the account when Mr M confirmed to them that he wanted the account to be closed.

All of which isn't to say that Mr M didn't experience some instances of poor service here. It's clear that he did. These include that Mr M was given contradictory and confusing information about why he couldn't see his new credit card in the app, and also that on the second chat, some of the advisors weren't as understanding or as considerate as they should have been towards Mr M, when he explained the mental health issues that he struggles with, and that the final advisor didn't respond to Mr M.

But I do feel that there are mitigating factors here than fairly need to be considered. Importantly, these include that the root cause of the issue was that Mr M didn't update his address with Lloyds and applied for the new card using a different address to that which Lloyds held for him. Additionally, Mr M also contributed, alongside Lloyds' advisors, to the fragmentary nature of the online chats by not responding in a timely manner on some occasions.

In their response to Mr M's complaint, Lloyds apologised to Mr M for the poor service that he'd received and paid £75 to him as compensation for the trouble and upset he may have incurred. Upon consideration of all the relevant circumstances here, including both the heightened impact of what happened on Mr M because of his mental health, as well as the mitigating factors that I've previously described, I feel that the £75 that Lloyds have paid to Mr M already represents a fair outcome to this complaint, and so I won't be instructing Lloyds to do anything more.

I appreciate that matters of compensation are subjective and I realise this won't be the outcome that Mr M was wanting. I also don't intend to trivialise Mr M's experience here in any way, or the impact that what happened may have had on Mr M's mental health. But as an impartial party, I must consider whether the impact on Mr M can fairly be said to have occurred solely because of Lloyds actions, or whether there was anything that Mr M himself could have reasonably done differently that would have mitigated against what took place. And, for the reasons given above, I feel that there were notable mitigating factors here, and upon consideration, these factors do lead me to conclude that the £75 that Lloyds have already paid to Mr M is a fair compensation amount.

I hope that Mr M will understand, given all that I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 24 September 2025.

Paul Cooper
Ombudsman