

The complaint

Mr and Mrs O complain about the way that Mr O was treated by Lloyds Bank PLC following his presentation of cheques which were rejected, during a branch visit and subsequently.

The complaint is made in joint names as it concerns a joint account, though for convenience I shall refer in this decision to Mr O alone.

What happened

in May 2024 Mr O attempted to deposit two cheques firstly using the mobile app and then at a machine in the branch. The cheques were rejected both times due to a wrong name on one and the other being rejected by the paying bank.

Mr O then attempted to deposit the cheques in branch. The cashier explained the problem with them; when he insisted the manager was called. This led to an altercation and at one stage another customer attempted to get involved.

Mr O subsequently complained to Lloyds and asked for the CCTV of the incident to be provided. In response Lloyds said that the branch manager had given a description of events which didn't corroborate with Mr O's version of events. It didn't agree that he had received poor service in branch. It said that it had requested a Data Subject Access Request (DSAR) to obtain CCTV footage to be sent to him. It explained that he would only be entitled to see footage of himself and that it wouldn't contain audio. It subsequently said that Mr O had been angry and rude in the branch and had made derogatory comments about the cashier. It further said that the manager had spoken to the other customer, but not about Mr O, telling them not to get involved.

Following a lack of response about his DSAR, Mr O complained to the Information Commissioner's Office (ICO). Lloyds explained to the ICO that it had neglected to retain the CCTV footage, and as a result a finding was made against it. It didn't explain this to Mr O until November 2024 as it had mistakenly closed his complaint. It made a payment of £150 compensation.

Mr O rejected this and continued to write in to Lloyds. It failed to respond to his further complaint letters. It subsequently contacted him in March 2025. Mr O said that he was looking for a payment of £1,500 but was prepared to deduct the £150 already paid. He said that he believed that Lloyds had agreed this payment but subsequently reneged on that. It offered a payment of a further £250 in a letter of 18 March 2025.

Mr O referred his complaint to the Financial Ombudsman Service in May 2025. He said that Lloyds had failed to provide him with a "a deadlock letter". Our Investigator reviewed the matter. They said Lloyds had made a reasonable payment of compensation.

Mr O didn't agree and the matter has been passed to me for further consideration.

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.

Where the evidence is incomplete or contradictory, as some of it is here, I have to make my decision based on what I think is most likely to have happened. I have a duty to be impartial so I have to assess both parties' evidence fairly.

I should explain our function is to resolve individual complaints. As such I shall not be taking into consideration any other matters such as online criticism outside the facts of this incident and the way it was handled by Lloyds.

With regard to the incident in branch in May 2024, I have noted that Mr O regards the matter of the cheques being rejected as resolved and that his complaint relates to the way he was treated in the branch and subsequently.

I won't be making a finding about Mr O's conduct, but I have reviewed the statements of the manager and the branch cashier. I think it's likely that there was an altercation in the branch, but also that the manager's intervention was an attempt to resolve the matter. I also think it's likely that the cashier was upset by the incident. As regards the other customer being involved, again I think it's likely that the manager spoke to that customer to tell them to keep out of it, but not about Mr O. Having said that, I appreciate that he was upset by that customer's conduct, though I can't hold the manager or the branch staff responsible for that.

As regards CCTV evidence I appreciate this is not available. But I have noted that firstly it would not have contained audio and that it would only show Mr O, and that for data protection reasons, any footage of other customers would be redacted. I do think therefore that such evidence would have been of limited value in this case.

I understand Mr O was upset to discover that the CCTV footage had been erased. Not only that but Lloyds knew that this had happened in July 2024 but failed to tell Mr O until November 2024, after the ICO had reported. In my view I don't think it was likely that Lloyds deliberately erased the footage, rather that its DSAR team failed to liaise with Security over keeping the footage beyond the normal 28 days. It really should have told Mr O of this at the time though I think the payment of £150 for this was reasonable.

Turning now to the way Mr O's complaint was dealt with, whilst our Investigator is correct in saying that complaint handling on its own is not regulated by the Financial Conduct Authority, I've nevertheless considered this as ancillary to Mr O's main complaint. In that respect I have noted that his complaint was mistakenly closed down so that he had no communication from Lloyds between June and November 2024. He also wrote several letters to Lloyds which it didn't respond to.

In respect of the discussion in March 2025 whilst Mr O put forward what he regarded as a compromise settlement of £1,350, I don't think it's likely that at any stage Lloyd's adviser agreed that as a settlement. The evidence from Lloyds' file is that it offered a further £200 and agreed to consider it further. Its final offer was for a further £250, contained in its letter in March 2025. So, I don't find that Lloyds changed its mind about an agreed settlement, nor do I find that its adviser bullied Mr O into accepting a lower settlement.

As far as providing a deadlock letter was concerned, as our Investigator has explained, in order for us to investigate we need to see a final response letter which gives the option of referring the complaint to this Service. And I can see that Lloyds provided several of these, the latest one being in March 2025. So I don't think it was at fault in that respect.

So overall, I find that Lloyds acted appropriately during the incident in branch in May 2024 but that it provided poor customer service in deleting the CCTV footage and in the way it handled Mr O's complaint. However, I think that its offer of a further £250 was fair and reasonable and I propose to require Lloyds to pay this.

My final decision

Lloyds has already made an offer to pay a further £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 £250.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O and Mrs O to accept or reject my decision before 6 October 2025.

Ray Lawley
Ombudsman