

The complaint

Mr S complains about how Lloyds Bank PLC act when they have concerns about a transaction on an account.

What happened

Mr S raised a complaint with Lloyds because he was unhappy about how Lloyds had handled matters when they had concerns about a transaction on his account. Lloyds responded to Mr S but didn't feel that they'd done anything wrong in how they'd restricted his account. However, Lloyds did apologise to Mr S for the service he'd received when bringing the matter to their attention, including the length of time he'd had to spend on the telephone, and paid £40 to Mr S as compensation for this. Mr S wasn't satisfied with Lloyds' response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that Lloyds had acted unfairly towards Mr S in restricting his account and noted that this service doesn't have the remit to instruct Lloyds to change how they operate. Mr S remained dissatisfied, 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, I'd like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. This means that it isn't within my remit here to declare that Lloyds have or haven't acted in a non-regulatory or unlawful way.

Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the circumstances and factors of a complaint into consideration.

In his submissions to this service, Mr S has explained that his complaint was in two parts, with the first part concerning the inconvenience of the process of getting help in unrestricting his account from Lloyds. Mr S has also said that he is satisfied with the resolution of this aspect of his complaint by Lloyds, including the payment of £40 compensation.

Mr S has also explained that the second aspect of his complaint, about which he remains unhappy, is that Lloyds should not be using a 'no contact' method of blocking transactions, and that to put things right he would like Lloyds to change their process so that they only engage in 'active' approaches to account restrictions.

But as explained above, this service isn't a regulatory body, and so I have neither the remit nor the authority to instruct Lloyds to change their process as Mr S would like here. Instead, my remit and authority are limited to assessing the impact on Mr S of the specific incident about which he complains. And my remit and authority do not extend beyond that.

Furthermore, while Mr S has expressed his dissatisfaction with Lloyds' process in a general sense and has provided several hypothetical scenarios of what might have happened, this service doesn't consider what might have happened, but only what did happen. And, importantly, Mr S has confirmed that: *in my particular case, no harm was done, except wasting a lot of my time...*" But Lloyds have already compensated Mr S for some of the time that he wasted, specifically, the time that Mr S had to spend on the telephone with them.

All of which means the following: Mr S is unhappy with Lloyds' process, which isn't something I have the remit or authority to instruct Lloyds to change, and he's already expressed his satisfaction with how Lloyds have compensated him for the trouble he encountered when contacting them about his account being restricted. Additionally, Mr S has confirmed that the impact on him of Lloyds restricting his account in the manner that they did was minimal, being limited to lost time.

That means that the only thing left for me to consider here is whether I feel Lloyds acted unfairly towards Mr S in restricting Mr S's account in the first instance. But given that when the account was restricted, Mr S had just begun using the account again after a long period of not using the account, it doesn't seem unreasonable to me that Lloyds would have concerns. Whenever an account is restricted, it's likely that will result in some inconvenience for the account holder. And when an account is restricted reasonably, such as in this instance, I feel that any associated inconvenience is unfortunate, but not unfair.

As such, I don't feel that Lloyds did act unfairly by restricting Mr S's account, and even if I did, given that Mr S has confirmed that the impact on him was minimal, it's unlikely that I would instruct Lloyds to take any further action in this instance.

I realise this may not be the outcome that Mr S was wanting, but it follows from all that I've explained that I won't be upholding this complaint or instructing Lloyds to take any form of action. One reason for this is that Mr S's primary point of contention here – how Lloyds choose to operate – isn't something that I have the remit of authority to instruct Lloyds to change. I hope that Mr S will understand, given what 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 S to accept or reject my decision before 13 October 2025.

Paul Cooper
Ombudsman