

The complaint

Mr K complains that Lloyds Bank PLC closed his account with it. Because it only communicated with him by post, he was not able to address the bank's concerns.

What happened

Mr K had a current account with Lloyds, with an agreed overdraft arrangement. He had opted to receive paperless communication only, and he had been overseas since January 2024.

From around October 2024 Mr K's account balance exceeded his overdraft limit. He had done so on occasions earlier in the year, but after October 2024 there was no account activity.

On 12 November 2024 the bank wrote to Mr K at his overseas address, telling him that his account balance had exceeded his overdraft limit. On 10 December 2024 it wrote again, demanding full repayment of the overdrawn balance. That letter also said, however, that Mr K could make a payment to bring the overdraft back within the agreed limit and invited him to call to discuss payment arrangements. On 8 January 2025, in a further letter, the bank said it would be closing Mr K's account soon, but that Mr K could keep it open if he made a payment to reduce the overdraft within 20 days.

Mr K contacted the bank on 11 February 2025, but no payment arrangements were agreed and no payments were made to reduce his overdraft. Lloyds closed the account on 13 February 2025.

Mr K complained that Lloyds had not used his communication preference – namely, paperless contact. The bank said that some communications, including those about paying off or reducing the overdraft, could only be sent by post. It did not accept that it had done anything wrong and said it would not reopen the account.

Mr K noted too that there had been two payments from the account on 13 February 2025, neither of which he recognised. He thought there may have been fraud on the account. Lloyds said the payments had been attempted after the account had been closed, so had not been successful. It did not believe there was any indication of fraud.

Mr K referred the matter to this service, where one of our investigators considered what had happened. He did not recommend that the complaint be upheld. He concluded that Mr K would have known that he had exceeded his overdraft limit and that he needed to take steps to bring the account balance back within that limit. Mr K did not accept the investigator's assessment and asked that an ombudsman review the case.

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.

I accept that Mr K indicated to the bank that he wanted to receive paperless communication about the account. He received statements online, as well as, for example, notifications about interest rates and charges. He did not however receive copies of the letters I have summarised above in his online mailbox. They were sent only by post to his address overseas.

As the investigator noted, it is primarily for an account holder to manage their accounts. And, as a general principle, a debtor is under an obligation to repay their debts when due, whether or not the creditor seeks payment. At the very least, therefore, Mr K ought to have known that he needed to bring his overdraft back within the agreed limit. Had he done so, it's likely that Lloyds would not have taken any further action.

I note however that Lloyds' account terms say that it will contact customers "... *electronically, by telephone, or by post using the details you give us or by sending communications to you in our app or online banking ...*" So, whilst Mr K had indicated a preference for paperless contact, I do not believe I can fairly say that the bank could not use other means of communication where it was appropriate or necessary.

I can see why Mr K might think it would have been appropriate to use online communication as well as post, but it is not for me to say that it should have done. It is not a legal or regulatory requirement.

Even if I were to take a different view on those matters, however, I am not persuaded that it would have made any real difference to Mr K's position here. He has explained that he was in financial difficulties (in part at least because of a separate dispute unconnected with this issue or with Lloyds). He knew, having received and opened statements online, that he needed to reduce his overdraft, but had not done so. Even if he had received the letters I have summarised, therefore, I think it's likely that Lloyds would still have closed his account.

Finally, I accept that the payments attempted on 13 February 2025 were not successful and that Mr K has suffered no loss as a result of them. I don't therefore need to comment any further on them.

My final decision

For these reasons, my final decision is that I do not uphold Mr K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 8 October 2025.

Mike Ingram
Ombudsman