

The complaint

Mrs W complains Lloyds Bank PLC allowed a fraudster to change details on her account and downgrade it. She also complains and that she had to contact Lloyds Bank PLC multiple times before the matter was resolved.

What happened

Mrs W has an account with Lloyds Bank.

Mrs W complained to Lloyds Bank in October 2024 that it had allowed a fraudster to change her account details and downgrade her account.

Lloyds Bank looked into Mrs W's complaint and ultimately reversed the fraudster's actions having concluded that they'd tricked Mrs W into making the changes she'd complained about. Lloyds Bank accepted that it had taken too long to do so than it should have done. So, it offered Mrs W £75 in compensation.

Mrs W was very unhappy with Lloyds Bank's response saying that it shouldn't have allowed a fraudster to change her account details or downgrade her account and that it shouldn't have taken multiple calls from her to reverse the fraudster's actions. She complained to our service saying that Lloyds Bank was blaming her for the changes and that Lloyds Bank had made what was already a very difficult time for her incredibly stressful. She wanted Lloyds Bank to accept responsibility for what had happened and pay appropriate compensation.

One of our investigators started looking into Mrs W's complaint. Following our involvement, Lloyds Bank offered Mrs W an additional £425 in compensation taking the compensation it was willing to pay to £500. Mrs W rejected this offer saying she'd spent £500 alone on an alarm at home – as she was concerned the fraudster knew her address – and that the offer didn't reflect how stressful this had all been. Our investigator, having looked into everything, said that they thought the offer that Lloyds Bank had made following our involvement was fair. So, that's what they recommended. Mrs W disagreed and asked for her complaint to be referred to an ombudsman. 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.

Based on the evidence I've seen, it's clear that Mrs W was contacted by a fraudster who knew exactly how to trick her into giving them the information they needed to change the details on her account and downgrade it. I'm genuinely sorry to see that Mrs W feels this means she is in some way to blame. She isn't – she's a victim here – and in no way to blame. But neither, in my opinion, is Lloyds Bank. I say that because the fraudster knew exactly how to trick Lloyds Bank into changing Mrs W's details too. The one positive that comes out of this complaint is that Mrs W was alerted to the fact that her details had been changed because Lloyds Bank notified her – as part of its security processes – meaning she contacted Lloyds Bank. Because of this, the fraudster wasn't able to take advantage of the changes they made.

Had Lloyds Bank reversed the changes that had been made quickly and efficiently, I'm satisfied that there is a good chance that Mrs W would have put the incident behind her. Unfortunately, Lloyds Bank didn't do so – it has acknowledged this. Lloyds Bank as a result caused Mrs W additional distress at what was already a difficult time in her life – I'd like to thank Mrs W for sharing everything she has with us. My role is to decide whether the compensation that Lloyds Bank has now offered is fair given the evident impact its poor response had.

Putting things right

Having considered everything, I agree that Mrs W was put to a lot of unnecessary distress and inconvenience when it came to reversing the actions of the fraudster. I do, however, agree with our investigator that the compensation Lloyds Bank has offered is fair. So, that's the award I'm going to make.

My final decision

Lloyds Bank PLC has already made an offer to pay an additional £425 to settle the complaint on top of the £75 it has already paid, and I think this offer is fair in all the circumstances.

So my decision is that Lloyds Bank PLC should pay Mrs W an additional £425 on top of the £75 it has already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 19 December 2025.

Nicolas Atkinson
Ombudsman