

The complaint

Miss M complains that Lloyds Bank PLC unfairly closed her account following accusations about her visit to one of its branches.

What happened

Miss M went to her local Lloyds' branch to withdraw money but didn't have her debit card. She asked staff if this was possible with her ID, but was told she would need to go to another branch, which wasn't possible for her at the time. She said staff were unhelpful, so she left.

Miss M then received a letter from Lloyds about closing her account due to her unacceptable behaviour. She said she had not been aggressive, and Lloyds originally stated the incident would be investigated and the staff member was rude. Miss M complained, saying Lloyds' staff had lied that they had called and cancelled the police to attend the incident in branch. She said a fair resolution would be for her bank account to be reinstated.

In its response, Lloyds said it had sent Miss M a separate closure of account letter – a decision it hadn't taken lightly. Lloyds said the terms allow it to close an account immediately, but it was giving Miss M two months' notice so she can make other banking arrangements. Lloyds said she could visit a branch if she wanted to appeal this decision.

Miss M was unhappy with this and referred her complaint to our service. Our investigator recommended it be upheld. He said despite Lloyds giving two months' notice of closure, Lloyds closed the account three weeks later and incorrectly said Miss M could appeal.

The investigator said it was fair for Lloyds to close Miss M's account, as the branch staff felt her behaviour was inappropriate, but Lloyds should pay Miss M £100 for the inconvenience of the incorrect notice period and £50 for misinforming her about the appeal process.

Miss M disagreed with the investigator, saying he had made no mention of the false police report claim made by Lloyds' branch staff. She said she had hadn't acted in the way Lloyds had said, and she didn't feel '*£150 cuts it*' as Lloyds had caused her distress. She said she had '*asked the clerk for help. And they ganged up on me crying my eyes out*'.

The investigator responded that there was no CCTV footage available as Lloyds only retain this for 30 days, which is in line with its policy. He said regardless of whether or not the police were called, this wouldn't change the outcome of his investigation.

Miss M remained dissatisfied and requested an ombudsman review her complaint. She said she was upset at the branch that she needed to make the withdrawal and asked if senior management could help. But she said she was told they were in another branch where she could go. Miss M replied, '*that wasn't possible and can they get me the senior member or staff*'. She said she refused to believe no one senior was available.

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 appreciate how strongly Miss M feels about this complaint. Our rules require me to determine a complaint by considering all of the evidence from both parties in order to decide what's fair in all the circumstances. Where the available evidence is contradictory, incomplete, or even missing altogether, I have to reach my conclusions on the basis of what is most likely to have happened on the balance of probabilities.

Lloyds said the closure of Miss M's account was made in line with the Terms and Conditions, which allow for account closure where the bank deems a customer's behaviour to have been unacceptable. And the closure decision was taken by Lloyds due to Miss M's behaviour in branch.

Miss M says she never acted as Lloyds said. She said the staff claimed to have called and cancelled the police, but that was a lie, and they lied in their statements regarding the whole incident. Miss M said she was upset and begging for help, not being aggressive.

It's extremely difficult to make a finding on something which happened face-to-face – especially when the accounts of both parties differ. Unfortunately, there is no CCTV footage available as Lloyds deletes this after 30 days. Miss M said she has a '*recording of the experience that explains it all*' and would write her own statement. However, we haven't seen anything further from her.

I agree with Miss M that, '*Crying and asking for help isn't aggressive*'. Clearly the conversations between Miss M and Lloyds' staff were very contentious, and I think it unlikely on the balance of probabilities that Lloyds had lied to close her account. Lloyds' staff indicated that the police might attend but fortunately that was not considered necessary in the end.

It follows that Lloyds was entitled to take the account closure action under the Terms and Conditions of the account, and, on balance, I think the bank acted reasonably in doing so. Our investigator has explained that just as a customer can choose who they bank with, a bank can decide who they offer their services to and reserve the right not to offer banking facilities to some customers.

Lloyds' Terms and Conditions allow the bank to close a customer's account without notice or explanation. However, Lloyds gave Miss M two months' notice to give her time to make alternative banking arrangements. This is important as closing a bank account can cause huge inconvenience. But Lloyds closed Miss M's account after three weeks and I think this treated Miss M unfairly.

Lloyds also told Miss M that it would be possible for her to appeal the account closure decision in branch. Lloyds doesn't have to provide an appeal process, and didn't intend to put this to Miss M, however, as this was stated within its letter to Miss M, we would expect the bank to do what they said they would.

I understand Miss M's frustration and upset at the turn of events at, and after her branch visit to Lloyds. I can also see why she was unhappy at being referred to another branch and felt the branch staff could have done more to help her in her distress. However, as I have said, I think Lloyds treated her reasonably in this respect. I agree with the investigator that Lloyds should have provided Miss M with better information around the closure of her account.

Putting things right

In respect of the inconvenience caused to Miss M I think it would be fair and reasonable for Lloyds to pay her compensation of £150. This is consistent with many awards we have made in similar circumstances to Miss M's complaint.

My final decision

For the reasons I have given, it is my final decision that the complaint is upheld. If Miss M accepts this decision, I require Lloyds Bank PLC to pay her £150 compensation for the inconvenience caused by its incorrect closure and appeal process as outlined in its letter to her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 29 December 2025.

Andrew Fraser
Ombudsman