

The complaint

Ms B complains about the service she received from Lloyds Bank PLC (“Lloyds”) regarding a long-standing block that was applied to her account. In particular, Ms B is unhappy about the service she received from Lloyds when trying to have this removed.

What happened

In May 2024 following a concern about Ms B’s account details being shared Lloyds placed a block on her account restricting her ability to transact online, but still allowing her to use her card. Usually, this type of block could easily be removed, but due to Ms B having a new device registered to her online banking it meant that as per Lloyds policy Ms B would need to visit a branch to have her identity verified before it could do this.

Lloyds explained this to Ms B in June 2024 and it was agreed that she would come to one of its branches.

However, due to work commitments and mental health reasons Ms B wasn’t able to get to a branch and following not being able to transact online using her card Ms B contacted Lloyds in April 2025 and explained she was unable to use her card and hoped that since she’d completed security over the phone it could remove the restrictions.

One of Lloyds’ staff members questioned why Ms B couldn’t attend a branch and restated that even if Ms B brought her complaint to this service, she would still need to visit a branch to have the blocks lifted leaving Ms B extremely distressed.

Shortly after this conversation the same Lloyds member of staff contacted Ms B and apologised for the service she received and to let her know in this instance verification could be completed over the phone outside of Lloyds usual processes and the blocks were removed allowing her to use her account completely again and negating the need to for her to come into branch.

Ms B raised a number of complaints regarding the service she received from Lloyds during this process. Lloyds didn’t agree it had made any errors regarding the security measures it took or with the safeguarding of Ms B’s account, but agreed the process to have the blocks lifted and the service Ms B received was not the customer journey it would expect to provide its customers.

Ms B experienced multiple service-level let downs and instances of communication breakdowns between herself and Lloyds staff. Ms B was passed between departments, misinformation provided and the quality of service was poor – including an instance where one of Lloyds staff made an inappropriate comment regarding the validity of her not being able to make it to branch and her reasons for this.

Lloyds paid Ms B £540 in total at different points for the distress and inconvenience she experienced including the delays in removing the block and the poor service she received when she tried to handle the issue herself.

One of our investigators looked into Ms B's concerns and although they agreed the service provided by Lloyds was poor, they thought that the £540 Lloyds had already compensated Ms B was adequate and in-line with what we'd usually compensate in situations such as this. Furthermore, they explained that they didn't think Lloyds had done anything wrong in placing The block on Ms B's account as it was in-line with Lloyds safeguarding measures and they thought it was substantiated for Lloyds to request in-person ID verification as Ms B had a new device, but reasonable Lloyds waive this later following Ms B using this for an extended period of time.

Ms B remains unhappy and believes a compensatory award of £5,000 would be appropriate for the treatment she received by Lloyds staff. She says an inappropriate hold was placed on her account and for almost a year she was left without the full use/service of her card.

Ms B can't understand why a branch visit was requested to remove the blocks when security is completed over the phone and the fact Lloyds insisted on this despite the difficulties this would cause her. Ms B believes this amounted to discrimination. Ms B says this matter has left her traumatised causing her anxiety and panic attacks and has asked for an ombudsman's 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.

I hope that Ms B won't take it as a discourtesy that I've described and detailed her complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that. And the crux of this complaint is about the service she received when attempting to have blocks lifted from her account.

In particular, Ms B is unhappy about the way she was spoken to by one of Lloyds staff and that Lloyds insisted on her attending one of its branches to have the blocks lifted despite being aware of her vulnerabilities and the difficulties it would cause, when it turns out this wasn't necessary.

It might be helpful for me to say here that, I don't have the power to tell Lloyds how it needs to run its business and I can't make it change its systems or processes – such as how or when restrictions are applied or lifted for fraud prevention. These are commercial decisions and not something for me to get involved with. Nor can I say what procedures Lloyds needs to have in place to meet its regulatory obligations. We offer an informal dispute resolution service and we have no regulatory or disciplinary role.

And while I do take relevant law and regulation into account when arriving at a decision, my remit is focused on whether I feel a fair and reasonable outcome has occurred. Only a court could make a finding as to whether a business breached its duty under the Equalities Act or acted unlawfully as Ms B has submitted here.

That said I don't think it was unreasonable for Lloyds to have procedures in place – in this case applying a block to Ms B's account following concerns being raised regarding the security of her account and then asking Ms B to attend branch so it could verify her in person following a device change. As I'm sure Ms B understands this is needed not only to protect businesses against criminal activity, but also their customers.

And in this case as I understand it the report the account might be compromised came from Ms B herself, I think Lloyds had a legitimate concern that someone that wasn't Ms B was

trying to access her account. So I don't think it unreasonable that Lloyds applied the restrictions it did. And nor do I think it unreasonable following a device change Lloyds ask Ms B attend branch so it could verify her.

I appreciate this was inconvenient for Ms B and indeed, subsequently became very difficult for her, but at the time this was requested in June 2024 Ms B agreed she could attend branch and I haven't seen that Lloyds was made specifically aware of why this might cause her difficulties. And as this is part of Lloyds processes that applies to all its customers, I can't say Lloyds did anything wrong or acted unreasonably here.

However, I do think there was a failing on Lloyds part in the customer journey Ms B had and the overall service received following this. Lloyds itself has accepted there have been failings in this regard. Ms B received poor service during calls, had calls dropped, multiple transfers and failed callbacks and had a block placed on her account for longer than it needed to be. Furthermore, Ms B felt her integrity questioned regarding why she can't attend a branch which was undoubtably a difficult and distressing experience for her.

But Lloyds have acknowledged its failures, apologised and provided a resolution outside its usual processes and lifted the block without the need to attend branch. Furthermore, Lloyds have compensated Ms B with payments totalling £540 for the distress and inconvenience this all caused. And although I accept Ms B has been both distressed and inconvenienced by what has happened, I've seen no evidence Ms B has suffered financially as a result.

And as it is not our role to punish or penalise the businesses we cover, I think what Lloyds have already paid is fair and in-line with what I'd expect. And so on this basis I'm not going to ask Lloyds to do anything more.

My final decision

For the reasons I've explained, I think what Lloyds Bank PLC have done to settle Ms B's complaint is fair and I'm not going to ask it do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 20 October 2025.

Caroline Davies
Ombudsman