

The complaint

Mr S is unhappy with Lloyds Bank Plc. He wanted to buy a car, and Lloyds wouldn't let the payment go through and then blocked his account. Mr S missed out on the purchase and then had to go through the hassle of having to make a special visit to a branch with identification to unblock his account.

What happened

Mr S wanted to buy a car for £850 which he said was much lower than the true value of the vehicle. The seller needed to get rid of the car quickly and this was a bargain. Mr S said not being able to buy it lost him £500.

Mr S said because Lloyds denied him access to his own money it had been negligent.

Lloyds said it was going to send £75 to Mr S's bank account for the service he had received.

It said it flagged a payment for £825 (slightly different from the figure Mr S gave) for "*an additional security check*." Lloyds said it needed to speak to Mr S to confirm the transaction was genuine. Lloyds said its system worked as it was meant to.

Lloyds noted Mr S had rung in advance to ask if he would be able to complete the transaction via telephone banking as he didn't have mobile banking on his phone. Lloyds said it should work, and Mr S could use telephone banking for the payment. When he went ahead the additional checks popped up.

At this point Lloyds said it asked Mr S to log into his online banking for security purposes, but it shouldn't have as he was clear he didn't have his tablet with him. Lloyds accepted it twice transferred him to the telephone banking team incorrectly. Lloyds apologised and accepted Mr S missed out on the car.

Lloyds said the prevention measures are to keep customers and their money safe. It said it wasn't its intention to make things difficult or more complicated. It said it was required sometimes to ask customers difficult questions. It concluded as it wasn't able to ask Mr S all the required questions through its fraud team it couldn't let the payment go.

Lloyds said it would continue to make sure the accounts remained safe and secure so security checks could occur in the future.

Mr S remained unhappy and brought his complaint to this service.

Our investigator didn't uphold the complaint. He said the level of compensation was fair. He said Lloyds had a regulatory obligation to ensure funds were kept safe. He didn't think Lloyds had made any error around checking the payment.

Mr S didn't accept this and asked for his complaint to be passed 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.

I've reviewed all of the evidence and listened to all of the calls. But I'm going to stick to the main factors of this complaint.

I can understand Mr S's frustration and his point about this being his money. And because he checked in advance to make sure the purchase would go through smoothly.

Mr S felt £500 was suitable compensation as that was how much more the car was really worth than the price, he had agreed to buy it for. Mr S was upset by the poor service he said he received on the calls. He didn't like that call handlers wouldn't give their full names and said staff were rude and didn't tell him the account was blocked.

Mr S was also unhappy about having to then visit the branch as this was time consuming, costly and inconvenient.

But I do have to accept also that there are rules and regulatory requirements that banks have to abide by to protect customers and their money. Lloyds has a duty of care and regulatory obligations to abide by.

Lloyds said the problem developed because Mr S wasn't "*cooperating with the questions she needed to ask, we weren't able to label this payment as genuine. We placed a block on your account and asked you to visit branch with ID to have this removed. My colleague did inform you that this block was going to be put in place, before transferring your call to another team.*" So, Lloyds did make Mr S aware that a block would apply on his account. And this triggered the process of him having to visit a branch. I don't think that's unreasonable as it is part of the process once an account has been blocked.

Regarding the call referred to above Lloyds said no errors were made by the fraud handler. It said Mr S "*questioned every question that she needed to ask, but refused to listen to her explanation and began to get angry over the phone with her, including telling her to "stop talking" on several occasions. [She] asked you to remain calm, and told you that she would not tolerate the tone you were using and would terminate the call if necessary several times throughout the call. At the end of the call, she then transferred you to another team.*"

Lloyds are adamant that without Mr S answering all the questions it was unable to "*label this payment as genuine.*"

Lloyds also said "*The Bank expects our staff to be polite and professional to our customers at all times. We also expect similar courtesy from our customers. Unfortunately some of the comments in your calls have given us cause for concern. We do accept that things can be said in the heat of the moment, however we will not tolerate any further inappropriate remarks. We would respectfully request that such comments be eliminated when conducting your business with us in future.*"

Lloyds did also say the "*the tone and handling of the call could have been better managed.*" And that this had been fed back to the call handler's manager "*to support further coaching, particularly around communication style and customer engagement during high-stress interactions.*"

I think that's fair and reasonable.

I understand Mr S was getting upset. He just wanted to get on with making the purchase and no doubt felt Lloyds were making a fuss about nothing. I can see that from his point of view.

But I do think Lloyds were clear about what it needed to do and why it needed to do it. I note Mr S was unhappy that the call handler wouldn't give her full name, but Lloyds confirmed this is an organisation policy not to give out full names, but staff can give out their staff number. I think that's fair.

It's clear that Mr S was upset having to go through the process Lloyds had in place. But I don't think I can expect Lloyds to pay the £500 Mr S wants. I don't think that's fair. As Lloyds said if Mr S had answered the questions, then the payment would have been made. I've no evidence to outweigh that point.

Lloyds acknowledged its service shortfalls and paid the goodwill payment of £75. It said this was in recognition of the inconvenience caused. It said it accepted the inconvenience contributed to Mr S missing the opportunity to complete his purchase. Lloyds did make things more awkward than it should have done, there's no doubt about that. But I can't dispute that it followed its process regarding the further checks. Listening to the calls I don't think the call handler coped particularly well with Mr S's responses, but I don't think she was rude.

It accepted its service should have been better and it has compensated the £75 for this. I think that's fair and reasonable in the circumstances of this complaint.

My final decision

I don't uphold this complaint.

I make no further award against Lloyds Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 25 December 2025.

John Quinlan
Ombudsman