

The complaint

Mrs H complains that Lloyds Bank PLC ('Lloyds') should pay more compensation than offered so far in connection an account switch.

What happened

In brief summary, Mrs H encountered problems as a result of an account switch not being carried out in the way she intended and expected. Lloyds said it hadn't done anything wrong so Mrs H brought her complaint to us. When our investigator looked into what happened, she didn't think that Mrs H was to blame for what went wrong and suggested that a fair way to resolve the complaint would be for Lloyds to pay Mrs H £200 for the switch incentive she missed out on and £500 compensation for distress and inconvenience.

Lloyds confirmed its agreement to this proposal. Mrs H felt that an award of £1,000 more fairly reflected historic and comparable ombudsman decisions and took into account Lloyds' conduct and delay throughout and following the investigator's view.

Mrs H has asked for an ombudsman to review the complaint, so it has come to me to decide.

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 carried out an independent review and having done so, I've reached the same conclusion as our investigator.

I've carefully listened to call recordings of Mrs H's discussions with Lloyds. This has given me an insight into just how frustrating and stressful Mrs H found this whole experience, and I sympathise. Mrs H had reason to be particularly concerned about what happened.

I don't need to go into further details about the background facts as I'm not required to decide things that are no longer in dispute. The circumstances giving rise to Mrs H's complaint were fully set out in the investigator's view along with the reasoning behind the redress awards proposed. Lloyds accepted the investigator's view and redress recommendations.

So I will concentrate on the question of fair redress, which is the main reason Mrs H has requested an ombudsman referral.

Mrs H has been caused significant upset and worry as a result of what happened when her switch application didn't complete as she intended. She told us she found dealing with Lloyds in connection with this matter very stressful and that what happened will impact on her for some time to come.

Our approach to redress is to aim to look at what's fair and reasonable in all the circumstances of a complaint and I've thought carefully about the impact on Mrs H of what happened.

I haven't been provided with anything to show that Mrs H has incurred any direct financial losses – save for the fact she missed out on the £200 cash incentive available to customers switching to a new account at the time. So I think it's fair that Lloyds should compensate her for this.

Fair compensation isn't however just about monetary loss – it also needs to properly reflect the wider impact on Mrs H. Thinking about the impact on Mrs H in her particular circumstances, the £500 payment suggested by the investigator matches the level of award I would make in these circumstances had it not already been proposed. I don't doubt that what happened caused Mrs H significant distress and anxiety, especially keeping in mind the vulnerability of her situation, and I think it's fair and reasonable that Lloyds should compensate her for this. I consider £500 is in line with the amount this service would award in similar cases, and fair compensation for Mrs H in her particular circumstances.

In coming to my decision, I've taken into account Mrs H's reasons for wanting additional compensation over and above this. But each complaint is looked at on its own merits – no two complaints are likely to be identical in every way and the outcome on each will depend on its own facts. I've looked at the circumstances that apply in this particular case and with specific regard to Mrs H's personal situation and what happened on other cases doesn't change my conclusion here. And I don't consider that there's been any unreasonable delay on Lloyds' part. Lloyds was entitled to its own view and it engaged with us on the issues and was ultimately persuaded that what the investigator recommended was a fair outcome.

Putting things right

Lloyds should pay Mrs H:

- £200 for the switch incentive she would've received had her account been switched as she intended.
- £500 compensation for the distress and anxiety caused to Mrs H.

(If Lloyds has paid Mrs H any part of this award already, it can set this off against the total compensation awarded.)

My final decision

My final decision is that I uphold this complaint and Lloyds Bank PLC should take the steps set out above to put things right.

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

Susan Webb
Ombudsman