

The complaint

Ms E and Miss O complain about the way that Lloyds Bank PLC managed a Junior Individual Savings Account ('JISA') and feel that more compensation is due to reflect the poor service provided.

The JISA was set up for Miss O when she was a child and Ms E was the registered contact on the account until Miss O was 18 years old. As Ms E has managed the complaint on behalf of them both, I'll mainly refer to her in my decision.

What happened

Lloyds upheld a complaint from Ms E saying that:

- in 2019, Lloyds mistakenly credited money belonging to Miss O to a JISA in someone else's name.
- It worked out that this error had cost Miss O £59.05 in lost interest and paid this to her account.
- As this was a bank error, Lloyds offered Miss O £300 compensation and Ms E £250 to reflect the distress and inconvenience caused.

When Miss O and Ms E brought their complaint to this service, our investigator ultimately concluded that the compensation offered to Miss O was broadly fair but that Lloyds should pay Ms E £650 compensation.

Whilst Lloyds said it was willing to do this, Ms E disagreed with the investigator's view. She mainly felt that key aspects of her complaint weren't understood or addressed and that the investigator hadn't responded to detailed representations she sent us which explain what she wanted us to look at and questions she'd raised were still unanswered.

So the complaint comes 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 briefly summarised and expressed in my own words what seem to me to be Ms E's main concerns and my focus is on what I think are the key issues here. Our rules allow me to do this and this approach simply reflects the informal nature of our service as a free alternative to the courts. Whilst I appreciate that Ms E would like answers to all the questions she has raised and detailed responses to things she's told us, I am not required to do that as part of my decision. It doesn't mean I haven't taken into account all the considerations I need to keep in mind – it just means I haven't needed to specifically refer to everything in the same level of detail as Ms E in order to reach a decision in this case.

My role is to consider the evidence presented by the parties and reach an independent, fair and reasonable decision based on the facts of the case and the evidence provided by both sides. I will concentrate in my decision on the main points that affect the outcome of this complaint and my focus is on whether Lloyds needs to do more to put things right.

The main background facts are not in dispute. Lloyds accepted that it made an error when it didn't set up Miss O's JISA account in line with Ms E's instructions and instead paid her money into someone else's account. So as Lloyds has upheld the complaint, I will move straight on to consider the question of fair redress, which seems to me to be the main reason Ms E has requested an ombudsman referral.

Our approach to redress is to aim to look at what's fair and reasonable in all the circumstances of a complaint. One way we would try and do this impartially here is to put Miss O and Ms E in the positions they'd be in if Lloyds hadn't been responsible for poor service issues.

Thinking first about Miss O, I am satisfied that Lloyds has already paid her the interest she lost out on when her money went to the wrong account. I've seen Lloyds calculations and despite Ms E's concerns about this, I'm not persuaded that Miss O has been left out of pocket as a result of what happened. So Lloyds doesn't need to pay her any more to cover financial loss arising from its poor service. But fair compensation is more than just a question of monetary loss – it also needs to properly reflect the wider impact on Miss O of Lloyds' service failings.

I think it's likely that the impact of what happened was limited so far as Miss O was concerned. As the registered contact for the account Ms E was mainly the person responsible for managing the account and dealing with Lloyds when things went wrong. Miss O had a representative acting on her behalf, and it was Ms E who had been involved in getting things put right.

Taking all this into account, I am satisfied that Lloyds' offer to pay Miss O £300 compensation is fair and reasonable in these circumstances. It broadly reflects the relatively limited impact of Lloyds's service failings on Miss O.

On the other hand, Ms E is the person who has been caused upset and faced significant inconvenience during the course of her dealings with Lloyds. As well as the money going into the wrong account, she also mentioned being unhappy that Lloyds didn't update her address even though she passed the new details to branch staff. And thinking about everything she's said, I can understand why Ms E feels Lloyds should be held further to account for its admitted poor handling of matters.

I haven't been provided with anything to show that Ms E is out of pocket as a result of what happened. But I think it is reasonable that Lloyds should bear responsibility for the aggravation and upset its actions caused Ms E.

The £650 overall figure 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 Lloyds' poor handling of matters, as described above, caused Ms E significant distress and inconvenience. I am satisfied that £650 is in line with the amount this service would award in similar cases and it is fair compensation for Ms E in her particular circumstances, bearing in mind her own poor health and how challenging it's been for her having to deal with this account and the issues arising.

I would just mention here that if Ms E feels Miss O's money didn't earn as much interest as expected whilst invested with Lloyds, then she first needs to put this to Lloyds as a new complaint (if she hasn't already) so it has a chance to respond. As this wasn't part of Miss O's original complaint that I am dealing with here, it isn't something I can deal with or comment on.

And if Ms E wants to complain about what happened from the point of view of the other person who got Miss O's money by mistake, she or the account holder can bring that complaint to this service after Lloyds has first had an opportunity to respond. But I can't comment on that here as I'm only able to look at Miss O's complaint about the impact of what happened on her account – not the other person's.

Putting things right

To reflect the impact on them of its admitted poor service Lloyds should:

- pay Miss O £300 compensation
- pay Ms E £650 compensation

Lloyds can set off against my award any compensation it has already paid Miss O and Ms E in connection with this complaint.

My final decision

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 Ms E and Miss O to accept or reject my decision before 4 November 2025.

Susan Webb
Ombudsman