

## **The complaint**

Ms H complains that Lloyds Bank PLC has blocked her access to online and telephone banking.

## **What happened**

In September 2024 Ms H attempted to make an amendment to a standing order, increasing it by a substantial amount. She was contacted by Lloyds and provided with a security code. She then made a number of transfers out of and into her savings account. She subsequently attempted to set up a new standing order. This transaction was referred to Lloyds' fraud team and it says she was sent a message to call it. Ms H didn't call so the account was suspended.

Lloyds then has a record of Ms H calling twice but only for a few seconds. The account remains suspended as Ms H hasn't called as requested. She was able to make the payment by debit card.

Ms H obtained information from Lloyds that her account was suspended due to fraud algorithms. In other words, Lloyds' automated system recognised the attempted payment as requiring further action by the fraud team to confirm the proposed payment was genuine.

Ms H also told Lloyds that she required additional support due to age and mobility issues.

Lloyds said it hadn't made any error in suspending Ms H's internet banking although it did agree that it took longer than expected to reply to her complaint. It paid her £30 compensation but can't reinstate Ms H's internet banking until she contacts it.

On referral to the Financial Ombudsman Service, our Investigator said he'd not seen enough to show that Lloyds' decision to place restrictions on Ms H's online banking was an error.

Ms H didn't agree, and the matter has been passed to me for an Ombudsman's review.

## **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 can understand Ms H's annoyance that her online and telephone banking have been suspended due to a payment she tried to make by setting up a new standing order in September 2024. I particularly note that she has full use of her debit card. However, Lloyds, in common with other banks, has an automated system which blocks payments in the event that it suspects fraud. As Ms H has found out, the system works by using certain algorithms. We accept that banks are entitled to use such a system because, with the number of customers they have, it would not be possible to review every account manually. And they are required under Banking Regulations to protect customers against possible fraud.

Lloyds has in place a system which requires the customer to call it to confirm the intended payment is genuine. And I believe that Ms H used this when she applied to amend the

original standing order. I understand that Ms H hasn't contacted Lloyds' fraud team since September 2024 and as a result her online and telephone banking remains blocked.

I can't require Lloyds to unblock the account without Ms H contacting it. In particular it can't verify by email as that isn't a secure process. The purpose of this is very much to protect the customer particularly as Ms H has indicated that she is vulnerable.

Ms H has told us that she requires additional support from Lloyds, but she hasn't told us or Lloyds what she needs. And Lloyds can't log any particular customer needs on her record without speaking to her. I see that it did set out its position in its final response letter in October 2024.

Ms H has told us that she can't telephone Lloyds. But if she has a disability or a medical reason for not being able to do so it's difficult for Lloyds to offer any help without knowing exactly what she requires. She has referred to Lloyds' process of third-party mandates. If she has someone who can act on her behalf, they might be able to make the call for her, so long as she is present during the call to be able to consent to that.

Overall as I haven't found that Lloyds has made any error in blocking Ms H's online account, I can't require it to take any further action or award any additional compensation.

### **My final decision**

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 11 November 2025.

Ray Lawley  
**Ombudsman**