

The complaint

Mr P on behalf of his business J complains about the difficulties he experienced with making a payment transfer using Lloyds Bank PLC's ("Lloyds") Voice Response system resulting in him not having access to his funds over the weekend. In particular, Mr P is unhappy that Lloyds expected its customers to operate its system in a different way without being informed to do so.

What happened

Mr P holds both a personal and a business account for his business J with Lloyds and prefers to conduct J's banking using Lloyds automated telephone system.

On 14 December 2024 following Lloyds updating its Voice Response (IVR) system to the Next Generation Contact Centre (NGCC) Mr P attempted to use its IVR system to transfer funds from J's business account to his personal account for expenditure in the run up to Christmas. But having difficulties with this Mr P tried connecting to a Business Banking advisor but as it was a weekend the lines were already closed.

Mr P then tried to connect to a Personal Banking adviser to see if they could help. It was explained that there was an issue with the automated phone service and that nothing could be done until this issue had been fixed. And as the personal banking team only deals with queries relating to personal accounts and can't access business accounts, they advised Mr P he'd need to speak with its business team and transferred his call there despite him informing them that the business lines were closed. Mr P was also advised to go into a branch to make the transfer which was something he was unable to do.

Mr P called Lloyds and raised a complaint about this experience on 16 December. Mr P expressed his wish to close the account and Lloyds adviser said he'd need to complete a form which they agreed to send out.

Mr P completed the transfer he wished to make using the Business Banking phone line and transferred £5,000 from J's business account to his personal account. Mr P felt it wasn't practical going forward to make further transfers in branch and so there was no other option available for him other than transferring a large amount of money while still able to communicate with a member of the business banking staff.

Lloyds was unable to determine the exact reason Mr P was experiencing issues with the IVR platform on the day in question but thought the IVR system was working as it was designed to do and it was possible the difficulties were to do with calling a personal banking number, imputing his password and then entering J's banking details. Lloyds advised Mr P to set up Phonebank for Business to allow him to complete transactions through the IVR more smoothly going forward and requested a registration pack to be sent to him. Lloyds apologised that a colleague had put Mr P through to its Business Banking despite being closed and said they should've advised Mr P to call within its opening times and compensated Mr P £20 for the upset caused.

Mr P was dissatisfied with this and so brought his complaint to this service. Mr P says as a result of Lloyds Personal Banking team not helping him he had to borrow money which caused him both embarrassment and anxiety.

Lloyds say if a customer is unable to make a payment because of an IT issue, they are advised to use online banking or the mobile app, or they can visit a branch. If none of these options are suitable for a customer they will be advised to call back at a later time.

One of our investigators looked into Mr P's concerns but didn't think Lloyds had treated him unfairly when its personal banking team couldn't carry out a transaction from a business account or transfer him to the business banking team as they couldn't access business accounts and it was outside of Lloyds business banking hours. And they didn't think the service Lloyds provided was unreasonable, as although Mr P wasn't able to use IVR to carry out the transaction he wished there were other reasonable alternatives available for him which he could've used.

Mr P disagreed. He says he's always used Lloyds IVR banking system in the same way and as a result of not being told to operate the system differently he wasn't able to carry out the transaction as needed. This left him with no alternative but to transfer a large sum of money to ensure the continued management of his and J's finances.

Mr P says he was unable to attend a branch on the day in question and wasn't registered for and has no obligation to use online banking seeing it as merely an additional tool and not a core banking facility. Mr P doesn't understand why Lloyds personal banking team couldn't help him and believes the very fact that Lloyds prevented access to his funds through no fault of his own is wholly unjust, unreasonable and unfair and wants Lloyds to review its policy to ensure this doesn't happen again. Mr P has asked for an ombudsman's decision on the matter.

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 Mr P won't take it as a discourtesy that I've condensed this complaint in the way that I have but ours is an informal dispute resolution service and so 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 Mr P's complaint is that he wasn't able to use Lloyds IVR system to transact on J's account and the support he's received from Lloyds regarding this.

And after considering everything carefully I'm in agreement with our investigator and I don't think there is anything much more of use I can add.

It might help if I explain here that I don't have the power to tell Lloyds how it needs to run its business and I can't make Lloyds change its systems or processes – such as what banking facilities are available for both business and personal accounts and the hours it must operate. These are commercial decisions and not something for me to get involved with.

That said, while I'm not looking at Lloyds's systems and processes per se, it won't have acted fairly and reasonably if it wasn't giving Mr P reasonable access to information and banking services to J's accounts with it.

Mr P is unhappy that following an upgrade to its system he was unable to transfer money from J's business account to his personal account through Lloyds IVR system and that its personal banking team were unable to help with this transaction. Instead, he was asked to

attend a branch which was something he wasn't able to do and so he was forced into borrowing money.

Mr P believes that Lloyds should've informed its customers that its system was going to operate in a different way. But I wouldn't expect Lloyds to communicate every upgrade it has of its systems to all its customers as this simply wouldn't be practical. And Lloyds haven't been able to identify an issue with its system on the day in question, but rather it was working as it was designed to do.

But even if it wasn't, that doesn't mean it automatically follows that Lloyds have done something wrong or acted unreasonably. I think most would accept that from time-to-time things don't go as planned and it's reasonable to expect one to do what they can to mitigate in the circumstances.

In this case Lloyds was limited in what it could do to assist as Mr P had chosen not to conduct J's banking online the only option available to him was attending a branch or wait until business banking opened up again. I accept this was inconvenient for Mr P, but Lloyds personal banking team were unable to help him with J's transaction as they had no access to business accounts and Lloyds are within its right to decide how and what services it provides and when. And as going forward Lloyds have provided Mr P with a resolution to the issue and advised Mr P to set up Phonebank for Business, I can't see what more it can do and don't think it has acted unreasonably.

I accept being transferred to a business team that wasn't available wasn't helpful and that Mr P was no doubt inconvenienced and frustrated by this. But as the account holder and eligible complainant here is J, I can't look at awarding compensation for any inconvenience or distress that Mr P suffered personally. And as I'm not aware of J suffering any direct financial loss due to the issues Mr P faced – indeed, my understanding was it was Mr P in his personal capacity who was inconvenienced by not having access to J's funds to pay for things rather than J – and so I don't think there is anything more Lloyds needs to do.

So it follows that as I can't say that Lloyds hasn't provided with Mr P with reasonable access to J's accounts and I haven't seen that J has suffered any financial loss due to this matter, I don't uphold this complaint.

My final decision

For the reasons I've explained, I've decided to not to uphold Mr P's complaint brought on behalf of J.

Under the rules of the Financial Ombudsman Service, I'm required to ask J to accept or reject my decision before 30 December 2025.

Caroline Davies
Ombudsman