

## The complaint

GCCC is a community organisation. Its representative has complained that Lloyds Bank PLC has decided to discontinue its Treasurer's Account and replace it with a Community Account, on which charges are applied for maintaining the account and for day-to-day banking activities.

## What happened

On 27 March 2025 Lloyds wrote to GCCC to inform it that it was discontinuing the Treasurer's Account and replacing it with a new Community Account. The letter set out that the new Community Account, like any other business account, would be charged a maintenance fee and for day-to-day banking transactions. However, due to the nature of the organisations that qualified for the account, the charges and fees were being set at half that applied to Lloyds' standard business accounts. Details of how the charges would be applied were confirmed. Lloyds asked GCCC to check that the new account was suitable for its purposes and to let it know if it was not, at which time the agreement could be ended and the account closed.

GCCC did not contact Lloyds to close the account and so its banking facilities were transferred to a Community Account. Lloyds applied the first maintenance charge of £4.75 in July 2025. A complaint was made and GCCC arranged alternative banking facilities, with the Lloyds account closing in October 2025.

Lloyds responded to the complaint in a letter of 17 June 2025. It explained that over recent years the bank had experienced a significant increase in operational costs, which had necessitated the introduction of fees and charges on commercial bank accounts. In addition, Lloyds highlighted that it had given GCCC adequate notice of the changes and it did not consider that it had done anything wrong. The letter was reissued to the representative on 15 September 2025, following him telling Lloyds that he had not received it.

GCCC's representative was not satisfied with Lloyds' response and referred the complaint to this Service. Lloyds explained that it had assessed the viability of continuing to provide banking services to community entities free of charge, and had concluded that it was not sustainable, so it phased out the Treasures' Account and introduced the Community Account, which had charges associated with it.

One of our Investigators considered the complaint. He initially explained that we looked at individual complaints and didn't have the power to dictate how a bank ran its business, set its policies or decided on what its processes would be. When the Investigator considered what Lloyds had done in relation to GCCC's account, he didn't recommend that the complaint be upheld as he didn't think it had treated GCCC unfairly.

GCCC's representative didn't accept the Investigator's conclusions. He said that he had never disputed that Lloyds was legally allowed to do what it did, but rather he didn't think that it had complied with its *'ethical obligations'* as a UK bank. The representative went on to explain how small community clubs operate and the impact of such organisations being charged for their banking provision. He concluded that in ceasing to provide a fee-free bank

account to community clubs such as GCCC, Lloyds was failing to treat those customers fairly, with integrity, and acting in the customer's best interests.

The Investigator considered the further submissions, but he was not persuaded to change his conclusions. GCCC's representative said that all of the major banks had implemented similar changes at the same time, and he concluded that there had been collusion between those banks with the intention of causing harm to the customers affected, which means that those customers had been treated unfairly. As agreement could not be reached, the complaint has been passed to me to consider.

### **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 would firstly confirm that the Financial Conduct Authority (FCA) is the body that regulates financial services businesses. It is the FCA that is responsible for how such businesses operate in general and what accounts, processes and systems they have in place and available for their customers. GCCC's representative's belief that the banking industry is currently unwilling to provide free banking services to small community groups is a wider issue and something that would rightly sit with the FCA. I note the representative has said that he was unable to establish how to raise his concerns with the FCA via its website; he may wish to write to the FCA – our Investigator can provide the relevant address if required.

We deal with individual disputes between businesses and their customers. We have no power to sanction, punish or fine businesses – that's the role of the FCA. Nor do we have the authority to determine whether or not a business has breached legislation, broken the law, or is in breach of contract, and we don't award damages – all of those matters fall within the remit of the courts. My role is to see if Lloyds has acted fairly and reasonably in its dealings with GCCC. This means that, while GCCC's representative has concerns about the overall impact of Lloyds and other mainstream banking organisations deciding to no longer provide free banking services for small community groups, I can't comment on those concerns in a generic manner, including whether the decisions made were ethical or not. I can only consider whether Lloyds treated GCCC, as an individual customer, fairly.

I would start by saying that a bank is entitled to decide what accounts and services it is willing and able to offer to its current and future customers. If a particular service or product becomes unviable, due to costs, changes in the law or regulatory requirements, it is not unreasonable for the product or service to be withdrawn. However, the bank should provide advance notice of this occurring so that its customers using the product or service can make alternative arrangements to serve their needs, whether with the same bank or another.

In this case Lloyds concluded that its Treasurer's Account was no longer financially viable due to changes in the banking environment since it was launched. That is a decision it was entitled to make, and it was also entitled to decide to discontinue that account type. I have considered what Lloyds did once it had made the decision to discontinue the Treasurer's Account. In this case, it wrote to GCCC and explained the situation and confirmed that there was an alternative account available, albeit with charges for services, that would be made available to it.

This notification was made several months in advance of the changes and any charges being applied. GCCC was also encouraged by Lloyds to look at whether the new account was suitable for it. The timing of the notification meant that if GCCC was not happy with the terms and conditions of the new account it had the opportunity to move to an alternative account and/or provider before it incurred any costs.

I know that GCCC's representative will not agree with my conclusion, but I am satisfied that Lloyds treated it appropriately and fairly, in the circumstances. It offered an alternative account when it decided to discontinue Treasurer's Accounts and gave sufficient time for alternative arrangements to be made before any charges were applied in the event that the replacement account was not suitable for GCCC's purposes.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask GC to accept or reject my decision before 6 February 2026.

Derry Baxter  
**Ombudsman**