

The complaint

SGC is a community organisation. Its representative has complained about Lloyds Bank PLC's decision to discontinue its Treasurer's Account and replace it with a Community Account, which charges for maintaining the account and for day-to-day banking activities.

What happened

On 7 November 2024 Lloyds wrote to SGC to inform it that it was discontinuing Treasurer's Accounts and replacing them with Community Accounts. It was explained that, as with Lloyds other business bank accounts, the new Community Account would have fees and charges applied to cover the cost of maintaining the account and for transactions over a certain number. Detail of how the charges would be applied was provided and it was also confirmed that the charges that it had set at that time were around half of what they would have been under a normal business account. SGC was asked to consider whether the new account was suitable for its needs and if it was not, to let Lloyds know, so the account could be closed.

SGC didn't tell Lloyds to close the account, and it was converted to a Community Account. The first maintenance charge was taken from the account on 10 March 2025. The representative complained and Lloyds responded in a letter of 1 June 2025, a second copy of which was sent in September 2025 following Lloyds being told the original had not been received. Lloyds explained why it had decided to stop providing Treasurer's Accounts and replace them. It was satisfied that it had done nothing wrong and had provided SGC with sufficient notice of the change.

SGC's representative was not satisfied with the response and referred the complaint to this Service. One of our Investigators considered the complaint, but he didn't recommend that it be upheld. He was satisfied that Lloyds had been entitled to do what it did and had not treated SGC unfairly.

SGC'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 SGC, it 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. SGC'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 we are not the industry regulator – that is the Financial Conduct Authority (FCA). It is the FCA that is responsible for how financial services businesses operate in general and what accounts, processes and systems they have in place and available for their customers. Whereas this Service deals 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.

As such, when considering this complaint, my role is to see if Lloyds has acted fairly and reasonably in its dealings with SGC. Although I acknowledge SGC's representative's strength of feeling about the wider issue of small community groups being charged for banking facilities, that is not something that it would be appropriate for this Service to comment on. That includes commenting on whether Lloyds has behaved in an ethical manner. I can only consider whether Lloyds treated SGC, as an individual customer, fairly and reasonably.

I would also confirm 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 or changed. 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. It wrote to SGC, explained the situation and confirmed the alternative account it was willing to provide. It also set out the implications of that change and encouraged SGC to consider if the new account met its needs. I would not have expected Lloyds to do anything more in the circumstances.

As well as the contents of the notification, I have considered its timing. The notification was made several months in advance of the change and any charges being applied. This meant that SGC had sufficient time to consider whether it wanted to accept the replacement account and to look elsewhere for alternative banking services if it decided against accepting the Community Account.

I am satisfied that Lloyds treated SGC 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 SGC'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 S to accept or

reject my decision before 6 February 2026.

Derry Baxter
Ombudsman