

The complaint

Miss K complains about the service she received from Lloyds Bank PLC.

What happened

Miss K received an email from Lloyds inviting her to apply for car insurance. She applied, but her application was declined, which worried her as nothing about her circumstances had changed. So, she contacted Lloyds for an explanation, but Miss K says she received poor customer service. So, she made a formal complaint.

Lloyds acknowledged that it hadn't provided the level of service it should have. In recognition of the distress and inconvenience the matter had caused, it paid Miss K two compensation payments totalling £140.

Unhappy with the outcome, Miss K referred her complaint to this service. One of our investigators looked into it. But while she agreed that Miss K had received poor customer service from Lloyds, she felt the compensation payment totalling £140 was fair.

Miss K didn't accept this outcome, so her complaint has been passed to me.

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.

It's clear Miss K feels strongly about her complaint, and I have only summarised what has happened. So, I want to reassure her that I have read and considered everything that she's provided. But as an informal dispute resolution service, we are tasked with reaching a fair and reasonable conclusion with the minimum of formality. In doing so, it is not necessary for me to respond to every point made, but to concentrate on the crux of the issue.

It's important to note here that some of the distress and inconvenience Miss K suffered was a result of her car insurance application being declined. But this was not a decision made by Lloyds. Lloyds' car insurance is underwritten by a different business, and it was the other business that declined the car insurance. Miss K has also complained about the other business' decision, and this has been dealt with under a separate complaint with our Service, so I make no findings on that issue. As such, this decision solely relates the customer service Miss K received from Lloyds.

The crux of this complaint is the poor customer service Miss K received from Lloyds. She feels the distress and inconvenience this caused warrants more compensation. Having considered this, I've reached the same overall conclusion as the investigator. I know Miss K will be disappointed, so I'll explain why.

Miss K has told us about a number of service issues she experienced when she contacted Lloyds after her car insurance application was declined. This included such things as: being given incorrect information - resulting in her contacting a department that couldn't help her

several times; a complaint being closed needing a further complaint to be raised; difficulties reaching Lloyds by phone including calls being cut off and promised telephone call backs not being received.

I acknowledge that the service failings Miss K has told us about made what was already a worrying situation – the decline of car insurance, worse. And I'm persuaded that the failings have caused Miss K more than the levels of frustration and annoyance I would reasonably expect when dealing with a financial business.

But Lloyds has already accepted this. It has apologised, confirmed that feedback has been given to its staff and paid Miss K a total compensation of £140. Having considered everything Miss K has told us and looking at what happened as a whole, I find Lloyds' total compensation payment of £140 in recognition of the distress and inconvenience caused to be fair. It's consistent with the awards we make (when compensation hasn't already been offered) where a business has made repeated errors and mistakes which have caused some distress and inconvenience over several weeks and required reasonable effort to sort out.

So, while I'm sorry to disappoint Miss K, I won't be telling Lloyds to take any further action in respect of this complaint.

My final decision

For the reasons given above, I do not uphold this complaint in the sense that Lloyds Bank PLC has already paid fair compensation for the poor service provided to Miss K.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 5 May 2026.

Sandra Greene
Ombudsman