

## **The complaint**

Mr I complains Lloyds Bank PLC unfairly blocked his account and hasn't allowed him access to his funds. He wants compensation for the impact this has had on him.

## **What happened**

I set out the background to this complaint in my provisional decision. I now repeat much of that background here for the purposes of making my final decision.

Mr I holds a current account with Lloyds, which Lloyds restricted in early December 2024.

Lloyds restricted the account because they believed Mr I may have fallen victim to a romance scam. Their concerns followed Mr I calling them after a payment he wanted to make via a third-party money remitter didn't go through.

During the call it was revealed Mr I had made previous payments to his then fiancée in Nigeria to support her getting a Visa to the United Kingdom. Lloyds asked him if his communication with her was only online, to which he answered yes.

Lloyds decided to restrict Mr I's account, and asked him to attend a branch, which he did on 16 December 2024. Lloyds asked him to watch a video warning about scams, which Mr I says he did, although Lloyds say he only watched part of the video. The restriction has remained since this time.

Mr I says he went into branch on further occasions but could not get the restriction removed and he says he provided clear explanations and information to Lloyds about the payments he made. He also received a letter from Lloyds which asked questions framed as if he had been scammed, which he insists hasn't happened.

In February 2025 Mr I provided our service with among other documents, copies of a Visa application for his then fiancée for the purpose of marrying in the UK, associated documents provided to support that application, including identification and documents related to financial means, and a decline letter refusing the Visa from the Home Office sent at the end of December 2024.

Our investigator initially upheld Mr I's complaint due to a lack of information from Lloyds. But following receipt of further information from Lloyds and Mr I in April 2025 they decided not to uphold his complaint in early May 2025.

In summary they were persuaded Mr I hadn't watched Lloyds' scam video in full, so Lloyds process aimed at protecting potential scam victims and themselves hadn't been completed. They found Lloyds acted reasonably by not allowing him access to the funds in his account. Mr I disagreed, and his complaint was progressed so that an ombudsman could make a final decision.

Later this May, Mr I sent a copy of a Nigerian marriage certificate to our service dated earlier

that month to support his stance that he isn't being scammed. He also provided copies of his educational and professional background in cyber security to evidence that he is not a candidate to fall prey to a scam.

In July 2025, a previous ombudsman in addition to other questions asked Lloyds whether they still had existing concerns following their receipt of the marriage certificate. Lloyds responded and said it appeared Mr I hadn't fallen victim to a scam if the person he was sending payments to was his wife. They noted that they hadn't previously seen the certificate. They responded further in September 2025 and said they would agree to remove the restriction as part of the settlement of this complaint if Mr I didn't provide the certificate directly to them beforehand.

Mr I's complaint was subsequently given to me to decide.

I made a provisional decision in December 2025 and upheld Mr I's complaint. My findings were:

"Lloyds' decision to restrict Mr I's account was reasonable given their obligations to safeguard customers when they have concerns about them falling victim to a scam. In this case, they believed Mr I may be the victim of a romance scam.

Lloyds reached their conclusion based on reasonable factors including payments being made to a country they consider high risk, the number of payments made and sometimes escalating payment amounts. And, on the call Mr I made on 8 December 2024 he answered yes when asked by Lloyds' advisor if he had only communicated with his then fiancée online. I'm satisfied these are reasonable hallmarks of someone potentially being scammed under romantic pretences.

During that same call Mr I indicated his fiancée who he referred to as his girlfriend wouldn't have carried on communicating with him and wouldn't have attended a Visa application centre twice if it was a scam. The Lloyds advisor relayed that the nature of a romance scam can mean there is ongoing contact so that further payments are made.

Mr I may feel Lloyds should have accepted what he said. But without further information to support what he was saying, I understand why they remained concerned. I don't find references to Visa applications must mean a romance scam is no longer a valid consideration. Romance scams include a wide variety of narratives, including the promise to visit or marry the person being scammed.

Lloyds say their process was to require Mr I to visit a branch and watch a scam video, which after watching could result in their fraud team unrestricting the account. I don't find requiring a potential scam victim to attend branch for scam educational purposes unreasonable and neither do I find it uncommon in retail banking to require a customer to present in person when a bank considers they may be at risk.

Mr I says he watched Lloyds video, whereas Lloyds say he did not watch it in full. Of course, I don't know for certain what happened given I wasn't there. But where there is conflicting information and evidence, I can decide what I think is more likely to have happened than not. Given the specificity of what Lloyds recorded on their system notes of Mr I's attendance at branch, I find it more likely he didn't watch the video in full. I find it unlikely Lloyds wouldn't have contacted the fraud team if he had complied with their request to their satisfaction.

I appreciate Mr I may find Lloyd's conclusion offensive to both him and his now wife. Having the lens of a romance scam cast over him is challenging and emotive when he feels certain that his relationship is genuine. But I am not awarding compensation for Lloyds drawing the

conclusion they did and neither do I require them to remove what they recorded on their system.

Lloyds records say Mr I wanted to withdraw £1000 when he attended branch, which he disputes. But I'm satisfied I don't need to make a finding on whether he did or didn't make a withdrawal request for that sum to determine this complaint. I find he had been asked to go to the branch by Lloyds in relation to their concerns about him being scammed, and he did attend.

Lloyds have insisted Mr I reattend branch and seemingly watch their scam video before they take further action. They want him to abide by what they describe as their process, but I don't find this to be a proportionate approach after it was clear Mr I was not going to do what they wanted.

I'm satisfied that while Lloyds had a valid concern about Mr I potentially falling victim to a romance scam, they didn't have sufficient information based solely on their initial phone call with him to not have asked for further information and evidence to help inform or allay their concern.

I haven't seen evidence they asked Mr I for relevant evidence to help better inform them of his situation. And, I understand why Mr I may not have responded favourably to the email they sent him on 3 February 2025 which asked questions geared around a scam being confirmed by him, which was not correct.

Banks need to have policies and procedures in place to assist in fulfilling their multiple responsibilities and obligations, including safeguarding customers from scams. But they should still pay due regard to the interests of their customer and treat them fairly, which might mean acting outside their usual way of doing things. I find in the circumstances of Mr I this meant exploring other ways to obtain information from him.

Mr I provided our service with the Visa application history of his now wife in February 2025 – the results of a subject access request she made were sent to her on 30 January 2025. The information to my mind shows she had by that time made at least two applications to obtain permission to enter the UK, and while the application was unsuccessful a range of supporting documents were provided.

I haven't seen that Lloyds requested evidence of this nature. And, if they did receive this information, I haven't seen information to show they would still have held concerns to the extent that they ought reasonably to have still required Mr I to watch a scam video before releasing his funds.

I note more recently Lloyds accept that it would appear Mr I hasn't fallen victim to a scam if the payments he made were to his now wife – albeit I'm aware Mr I married in May 2025, so the certificate didn't exist earlier.

On balance I find had Lloyds asked for further information from Mr I he would have provided it to them in the same prompt way he provided information to our service. Given this information would have likely been available to Mr I to provide to Lloyds shortly after his fiancée received it, in the absence of evidence to the contrary, I'm satisfied Lloyds ought to have released his funds at least from 4 February 2025. In making this finding, I have considered Lloyds would have needed a reasonable time to review the information from Mr I

after its receipt.

### **Putting things right**

I've provisionally decided that Lloyds should:

- Remove the restriction.
- Refund any overdraft interest charged on the account from 4 February 2025 until the restriction is lifted. This is because Mr I couldn't pay funds into the account that might have avoided overdraft fees due to the restriction and the impasse that was reached in regard to it.
- Restructure the balance of Mr I's account to reflect the removal of the overdraft fees above. And, pay simple interest (the rate is 8% simple per annum) on any positive balance from 4 February 2025 to date, while still deducting the direct debit payments that debited the account from 4 February 2025. This is to reflect that I find Mr I should have had use of any positive balance on the account from that point.
- Pay Mr I £500 to compensate him for the distress he experienced not being able to access his funds, and the significant inconvenience this would have likely caused. I was sorry to hear about how he says his health was affected and I have accounted for him no doubt being caused prolonged worry and stress by this matter. But while I have considered his medical note, I haven't seen medical evidence to show the actions of Lloyds were the primary cause of his symptoms.

Mr I said he had to move home due to not being able to use the funds to pay his rent, and he experienced other losses. But I haven't found Lloyds ought to have unrestricted his account prior to 4 February 2025, and I believe he moved before then. And other than Mr I's verbal testimony I haven't seen documentary evidence that reasonably demonstrates not having access to the account was causative of his other losses. I note in Mr I's email to our service dated 5 March 2025 he said he wasn't charged car storage fees, and he collected his vehicle using cover he holds."

I also set out in my provisional decision that my decision did not concern whether Lloyds failed to provide a satisfactory response to a subsequent subject access (DSAR) request he made while the complaint was with our service, which he raised with the Information Commissioner's Office. Neither did it concern whether our service should make a referral to the FCA under DISP 3.8.3R. Instead I set out that my role was to decide the subject matter of the complaint Mr I brought to us in February 2025 about Lloyds' decision to restrict his account, and I was satisfied I had sufficient information to reach a decision on that complaint.

Lloyds responded and accepted my provisional findings, albeit they indicated they would have difficulty upholding any future claims brought by Mr I if his situation did turn out to be to be a scam, which they of course hope isn't the case.

Mr I responded and disagreed with the outcome I reached and made various points.

I've decided I have sufficient information to make my final decision.

### **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've decided to uphold Mr I's complaint for the same reasons I gave in my provisional decision. My provisional findings are copied above and now represent my findings for this final decision. I'll now focus on responding to Mr I's response to my provisional decision.

Mr I objected to my not considering Lloyds response to his DSAR or not responding to whether our service would make a referral to the FCA under DISP 3.8.3R. He also said I needed to provide specific responses to what he considers regulatory issues involving sections of DISP, SUP 15.6, and sections of FSMA.

My role as an ombudsman in deciding Mr I's complaint is to determine it by what in my opinion is fair and reasonable in all the circumstances of a complaint. This means that while I have considered everything provided by Mr I and Lloyds, I can decide what is relevant, which may mean I don't comment on or make express findings that either party may want me to.

So it doesn't follow that I must respond to specific questions Mr I raised in order to decide the complaint before me. Instead I will focus on what I find relevant and material to making my final decision on the complaint he brought to our service in February 2025. That complaint concerned the fairness of Lloyds decision to restrict his account. It did not concern what Mr I says is Lloyds failure to respond as they should have to a DSAR. I am not considering this.

I still find Lloyds were able to reach the conclusion that Mr I was potentially falling victim to a romance scam in December 2024, and I don't find Lloyds contemporaneous recording of this inaccurate or that it requires amendment by Lloyds. I still find Lloyds were entitled to form a concern and take the decision to block Mr I's access to the account in December 2024. I made no finding that Lloyds only blocked the account from 4 February 2025.

I still find that after it became clear Mr I wasn't going to comply with Lloyds requirement that he watch their scam video in full, they ought to have explored further ways to obtain information from him in relation to their concerns he was being scammed. I'm satisfied Mr I would have provided sufficient information such that Lloyds should have unblocked his account from 4 February 2025. But I am not awarding redress for the losses he says he experienced prior to this point, given I'm satisfied the restriction on the account was reasonable up until then.

Mr I says he watched the scam video in full. Again I cannot know for sure what happened when he attended branch. But I'm satisfied that based on Lloyds' contemporaneous note that it's more likely he didn't watch it in full. I still find it unlikely Lloyds wouldn't have contacted the fraud team if he had complied with their request to their satisfaction. I don't find what Mr I views as Lloyds withholding information in response to his DSAR or his other points establish it was more likely he watched the video in full.

Mr I said the finding that he could withdraw money in branch with identification is incorrect. I didn't make this finding. I still find Lloyds required him to watch the scam video in full. So to be clear I don't think he was able to withdraw funds unless he watched the video and Lloyds then contacted their fraud team.

Mr I says he couldn't repair his vehicle because his funds were frozen. But from the time I think Lloyds ought to have allowed him access to his account (4 February 2025), I'm not persuaded he would have necessarily used the funds to repair the vehicle. I say this because he only shortly afterwards sought to have the finance terminated and his repayments refunded via a claim at court in March 2025, which would necessitate the return

of the vehicle.

Mr I has listed a number of provisions under SUP 15, which relates to notification requirements by firms to the FCA. But I don't find what Mr I has said material to the subject matter of the complaint about whether Lloyds acted fairly by blocking his account. I am not requiring Lloyds to make amendments to its record of his complaint, and I am not deciding a complaint regarding Lloyds information provision to the FCA, or Mr I's wider regulatory concerns. It's for the FCA to have regard to its general duties and objectives under FSMA, and it is only its remit to decide what powers it may use to carry out its responsibilities or investigations under FSMA.

In terms of the information powers under FSMA that apply to the ombudsman service, I am satisfied I have sufficient evidence and information from Lloyds and Mr I to make this final decision. I haven't required anything further.

Mr I has been informed our service will not comment on whether it makes referrals to the FCA. I have no further comment than what he has already been told. Whether a referral has been made or not is not material to the final decision I've reached.

### **Putting things right**

I've decided Lloyds should:

- Remove the restriction.
- Refund any overdraft interest charged on the account from 4 February 2025 until the restriction is lifted. This is because Mr I couldn't pay funds into the account that might have avoided overdraft fees due to the restriction and the impasse that was reached in regard to it.
- Restructure the balance of Mr I's account to reflect the removal of the overdraft fees above. And, pay simple interest (the rate is 8% simple per annum) on any positive balance from 4 February 2025 to date, while still deducting the direct debit payments that debited the account from 4 February 2025. This is to reflect that I find Mr I should have had use of any positive balance on the account from that point.
- Pay Mr I £500 to compensate him for the distress he experienced not being able to access his funds, and the significant inconvenience this would have likely caused.

Mr I has said he should receive a greater compensatory sum and has referenced several court cases. I've considered what he has said, including that he has said he suffered reputational and professional harm. But I don't find the circumstances of his complaint and what he has said establishes that he did in fact experience significant reputational and professional harm as a result of Lloyds not restricting his account from 4 February 2025. I still find £500 compensation is fair and that there has been insufficient causative evidence provided to warrant a larger sum.

### **My final decision**

My final decision is I'm upholding Mr I's complaint. Subject to Mr I accepting this final decision by the deadline below, I require Lloyds Bank PLC to put matters right according to

what I have said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 11 February 2026.

Liam King  
**Ombudsman**