

The complaint

Mrs B complains that an account she had with Lloyds Bank PLC didn't provide her with interest and that she wasn't made aware of other products that were more suitable for her.

Mrs B is represented in bringing this complaint, but for ease of reading I'll refer to all submissions as being made by her.

What happened

Around August 1991 Mrs B opened a current account with Lloyds. From June 2022 the account generally held a high balance and was used for card purchases and direct debits. Mrs B later realised that a current account isn't designed to hold such a high balance over such a long time. So she complained to Lloyds in late 2025, saying that this account wasn't suitable for her needs and circumstances and it didn't act proactively to prevent foreseeable harm.

Lloyds responded to say that it sent Mrs B monthly statements, which included the messages encouraging customers to review whether their account was still suitable for their needs along with details of how to check interest rates on other accounts. Lloyds said it had limited interaction with Mrs B during the relevant time.

Lloyds also responded to Mrs B's concerns that it hadn't done enough to identify her vulnerabilities. It said Mrs B wasn't registered with any support needs or identified as vulnerable until the Power of Attorney was added on 3 November 2023.

Mrs B wasn't happy with this response and referred her complaint to this service, saying that the communications provided weren't sufficient or tailored to her circumstances and that had Lloyds written specifically to her about the high balance or even mentioned it to her on her two visits to branch in 2022, actions could have been taken. One of our investigators looked into the complaint but didn't find that Lloyds had acted unfairly.

The investigator was satisfied that Mrs B would have been aware of the nature of her account and that Lloyds wouldn't have known that holding her money in the current account was unsuitable for her. They said that the nature of this account was non-advised, meaning that it wouldn't have provided her with tailored advice about its suitability. The investigator was satisfied that the communication and information Lloyds had provided around the account was clear and appropriate.

Mrs B disagreed with this and added that Lloyds had a duty to assist vulnerable consumers and protect them from foreseeable harm. She said the actions of allowing substantial funds to remain in a non-interest bearing account for an extended period represented foreseeable harm and a poor outcome under these standards. So she didn't think that Lloyds had taken any steps to identify her vulnerabilities or to provide her with appropriate support or reasonable adjustments in line with relevant law, rules and regulation.

Our investigator reviewed the circumstances again and asked a few more questions of Lloyds. But they still didn't think that Lloyds could have been aware of Mrs B's circumstances

based on how she operated the account. Given that Mrs B didn't contact Lloyds about her vulnerabilities either, the investigator didn't think that Lloyds could or should have taken any additional actions. Mrs B disagreed and so the complaint was referred to an ombudsman to decide

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.

In doing so, what I need to decide here is whether Lloyds should have done more to support and assist Mrs B in respect of her circumstances and the high balance she held in a current account, which wasn't earning interest.

Customers are ultimately free to decide how they hold their money with banks. It's not unusual for customers to hold high balances in current accounts – there could be any number of reasons a customer may want to do that. But Mrs B says that holding such a high balance in a current account that wasn't earning interest wasn't suitable for her, so I've first considered whether Lloyds made her aware of the position here.

Lloyds has provided a copy of its contact records with Mrs B it seems likely she only received limited contact from Lloyds in relation to this account. During the relevant period, there doesn't seem to be many, if any, branch visits logged and the telephone contact it had with her related to her cards.

Based on what I have seen though - Lloyds did send Mrs B statements confirming that the account was a current account (rather than a savings account) and it was clear on these that no interest was being earned on it. Mrs B also seems to have used the account as a current account too – making payments from it and setting up direct debits.

All of this persuades me that Lloyds did enough to make Mrs B aware that her money was being held in a current account that didn't earn interest. While a high balance remained in this account for an extended period, I can't fairly say that Lloyds can be held responsible for that. I realise that she may not have been fully aware that this was the case because of her individual circumstances (which I'll come onto shortly) – but I'm satisfied that Lloyds sent her reasonable communications about the situation with this account.

Mrs B believes that Lloyds has acted contrary to the standards set in the Financial Conduct Authority's Consumer Duty. It's worth saying here that the Duty came into force from 31 July 2023 and wasn't retrospective. Under the Duty regulated firms (like Lloyds) must act to deliver good outcomes for customers (Principle 12) and must avoid causing foreseeable harm to retail customers (PRIN 2A.2.8R). Avoiding foreseeable harm includes ensuring all aspects of the design, terms, marketing, sale of and support for its products avoid causing foreseeable harm (PRIN 2A.2.10G).

So while a firm like Lloyds is obliged to provide products that deliver good outcomes for customers that doesn't mean that it's obliged to, for example, offer interest on current accounts where it has made a business decision not to.

While the Duty does require a firm to enable and support a customer to pursue their financial objectives – this requires a firm to be in a position where they can reasonably be aware of such objectives for a customer. Here, Mrs B had held a large balance in a current account which she actively used over several decades, with no apparent issues. The information it provided her around this account was also clear. So I think Lloyds would have reasonably believed that Mrs B was satisfied with the operation of the account.

But even if I were to conclude that Lloyds should have done more to meet the standards set by the Duty here, I'm not persuaded that it would have made a difference in the circumstances. I say this because Lloyds did send Mrs B information in her statements. This message says:

“Check if your account is still right for you

Your banking needs can change over time so it's important you check your account is still right for you by visiting [lloydsbank.com/currentaccounts](https://www.lloydsbank.com/currentaccounts) to see our latest current accounts.”

In my view, this ought to have been enough for a customer to understand that if they were holding a high balance in a current account then they had other options open to them. I realise Mrs B may have expected a more tailored form of support and advice, but an account like a current account here isn't a product that Lloyds offers formal 'advice' in relation to, in the way a firm may offer formal advice in relation to more complicated products. In my view, the communication here was helpful and appropriate in the circumstances.

Yet even after this message was sent to Mrs B, it was only in November 2023, on appointment of her attorney, that she moved some of her balance to another account. So I'm not persuaded that even if Lloyds had sent her more tailored information like this sooner, that it would have meant that she took action before she did. And Mrs B's attorney has told us she wasn't opening her statements during some of this time so I'm not persuaded that other correspondence that may have been sent to her would have been opened and prompted a review from her.

I'll now address what Mrs B has said about her vulnerabilities. I'm very sorry to read about this and can only imagine that this will have made dealing with her finances and her accounts with Lloyds more difficult. But I have to be impartial and independent when looking at complaints and if I can't conclude that Lloyds were, or ought reasonably to have been, aware that she had, or may have had, such vulnerabilities then it wouldn't be fair for me to say it ought to have acted differently.

Having considered all the evidence available to me, I don't think Lloyds could have been aware that Mrs B was vulnerable from what it knew about her. Lloyds' records don't suggest that she ever told it about her circumstances and generally show that she didn't have much in the way of contact with Lloyds. I appreciate Mrs B made contact with Lloyds on the telephone when she lost her debit card, but I've listened to these calls and nothing in the conversations highlighted that Mrs B was particularly vulnerable or that Lloyds should have picked up any potential vulnerabilities from these conversations.

In my view, all Lloyds could have known about Mrs B is that she was a customer who held a high balance in a current account, an account which she used and operated largely as intended. Mrs B thinks Lloyds should have done more to identify her vulnerabilities proactively. But I haven't seen any grounds here to make me think that Lloyds ought to have done any more here, where it was reasonable for it not to have any concerns.

In saying the above, I've considered all that Mrs B has said about the rules, regulations and law that she has mentioned. But as previously mentioned, customers are free to keep high balances in current accounts should they wish to. This isn't, of itself, suggestive of vulnerability, even if it may not be something that all customers would do. And in my view, Lloyds has considered the standards of the Consumer Duty in sending Mrs B the message it did with in the statements. That she didn't take action based on this may, I realise, be at least in part due to her personal circumstances. But as I've said, I don't think Lloyds could reasonably have known or thought that was the reason for any inaction here. I think Lloyds

would have reasonably concluded that she had read the information contained in the statements but still wanted to keep the high balance in her account.

It follows that while I have sympathy for Mrs B and her circumstances, I won't be telling Lloyds to take any further action here.

My final decision

For the reasons mentioned above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 6 March 2026.

Jag Dhuphar
Ombudsman