

The complaint

Mrs H and Mr H complain about the actions taken by Lloyds Bank Plc (Lloyds) when an unauthorised transaction was made on their account.

What happened

The details of the complaint are well known to both parties, so I will not repeat them again here. Instead, I will focus on giving the reasons for my 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.

Having done so, I find that Lloyds offer is fair for broadly the same reasons as our Investigator.

Here I've considered Mrs H and Mr H's submissions about what happened, and I'm very aware that I've summarised this complaint in far less detail than it may merit.

Our Investigator's view set out the full facts, the transaction in dispute, and the evidence that was presented. So, I won't repeat every detail here, only those which form the basis of my decision. Our rules allow me to do this.

I can see that Lloyds initially declined to refund the disputed transaction saying that it believed it to be genuine based on the evidence it had available to it at the time. But on further review, it agreed to refund the transaction of £55.72 as a gesture of goodwill. However, Mrs H and Mr H remained unhappy with this.

I note on bringing the complaint to this service for consideration, Lloyds extended an offer of £30 to Mrs H and Mr H in recognition of their overall experience. And it acknowledged that given Mrs H and Mr H had no previous history of claims – and the small sum in dispute – refunding the transaction sooner than it did, would have helped avoid the subsequent inconvenience caused.

But Mrs H and Mr H declined the offer saying Lloyds had not apologised or believed them and nor did it investigate the matter as it should have.

Given the disputed transaction has been refunded here, what it seems remains for me to decide is what represents a fair and reasonable payment in recognition of the distress and inconvenience Mrs H and Mr H say they suffered because of this matter.

To determine this, I have given considerable thought to Mrs H and Mr H's position, particularly the impact this matter had on them. Along with considering Lloyds actions on being notified of the claim.

I don't doubt this was a troubling time for Mrs H and Mr H, and I am sorry to hear the experience caused them considerable additional stress. I also note that although Lloyds refunded the disputed transaction, they believe it did so begrudgingly. But having considered how Lloyds responded, and the information it relied upon when investigating the matter, I do think on balance that its handling of the claim was reasonable.

I say this because despite the evidence showing otherwise, it went on to refund the disputed transaction. And on being made aware of Mrs H and Mr H's concern, it promptly stopped the card and reissued a new one, to help eliminate any further compromise to the account.

Mrs H maintains that the transaction was made without her consent, and she has confirmed that the card was in her possession. I also acknowledge that she believes that the card was possibly cloned, or that the transaction occurred because of a technical fault with Lloyd's.

So, I've reviewed the internal records Lloyds has presented in relation to the transaction, along with account history going back to before the disputed transaction took place and after. Having done so, I am satisfied that there was no error made by Lloyds in the handling of Mrs H and Mr H's claim or that Lloyds were not fair or reasonable in its initial decision to decline to refund the transaction. Nor have I seen anything to suggest that the card was cloned, and I note no other unauthorised transactions were made on the account.

That being said, I agree that this matter could have been resolved sooner, so avoiding the inconvenience that was subsequently caused to Mrs H and Mr H in chasing Lloyds.

I am pleased to see that Lloyds reflected on its actions and went on to make an offer in recognition of this. And although I appreciate it isn't ideally what Mrs H and Mr H think is suitable, just like the investigator I've not seen any evidence to reasonably justify a higher level of award here.

Our website outlines the awards made by this service for distress and inconvenience and explains that the awards made are intended to recognise the upset caused by an error. They are not however intended to punish the business. And it's important to bear in mind that Lloyds has also refunded the disputed transaction in full, despite there being no evidence to suggest any fault on its part.

I sympathise with Mrs H and Mr H and acknowledge their strength of feeling on this matter. But although I can appreciate why Mrs H and Mr H feel the award is not satisfactory here, I consider the offer of £30 made by Lloyds to be fair and reasonable in the circumstances of this complaint.

Putting things right

If not already done so, Lloyds should pay Mrs H and Mr H £30 in recognition of the inconvenience caused in pursuing their claim.

My final decision

For the reasons I have explained, I partly uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and Mr H to accept or reject my decision before 19 May 2026.

Sukhdeep Judge
Ombudsman