

The complaint

Miss M complains that Lloyds Bank PLC (“Lloyds”) unfairly took the decision to close her account due to raising a number of valid disputed transactions and failed to take into consideration her vulnerabilities.

What happened

Following review of Miss M’s account Lloyds took the decision to close her account with it and sent Miss M a text message about this on 15 May 2025 stating blocks would remain on her account until closed and Miss M would receive a letter regarding the next steps.

Miss M then received a further text to say that a decision was made to close all Lloyds Banking Group accounts held in her name.

Miss M contacted Lloyds about this to understand why it was closing her account given she has operated it without issue and raised a complaint explaining how it had impacted her. Lloyds adviser recorded Miss M’s complaint and raised an appeal regarding the account closure and made arrangements for Miss M to withdraw her remaining funds without the need to visit a branch.

Lloyds didn’t uphold Miss M’s complaint, it said it had conducted a review of her account activity including information provided on any claim or disputes and any third party connections and based on this it took the decision to close her account giving Miss M 65 days’ notice in-line with the terms and conditions of the account to seek alternative banking arrangements. Lloyds thought its advisers had been supportive throughout and didn’t agree its advisors had been unprofessional and advised Miss M that she could contact CIFAS directly to see what information it held.

And following this In-line with the notice provided to Miss M her account was closed on 21 July 2025.

Miss M was dissatisfied with this and so brought her complaint to this service. Miss M is unhappy at the way she was spoken to by Lloyds advisers when discussing the closure and believes that Lloyds had unfairly taken the decision to close her account with it due to her raising a number of disputed transactions and due to her vulnerabilities this had severely impacted her and wants to be compensated.

One of our investigators looked into Miss M’s concerns but didn’t agree Lloyds had made a bank error or treated Miss M unfairly as Lloyds had given two months’ notice – in-line with its terms and conditions – prior to the closure and wasn’t obliged to give a reason for the closure as this is considered commercially sensitive information.

Miss M disagreed and says her account was closed unfairly due to disputing transactions that she was within her right to dispute as this was explicitly discussed when she challenged Lloyds decision to close her account. Miss M doesn’t believe her vulnerabilities were properly considered as besides a text message Lloyds did not contact her prior to closing her account and that she had to contact Lloyds herself to understand what had happened.

Having listened to the calls between Miss M and Lloyds advisers our investigator didn't agree they'd been unprofessional. They restated that Lloyds didn't need to provide a reason as to why it closed her account and as Miss M had mentioned she had an account elsewhere it didn't appear she'd been left without access to banking facilities altogether.

Miss M disagreed and is adamant the closure of her account was due to the disputes she raised and says if her disputes were unreasonable Lloyds wouldn't have sent her a cheque for the disputed transaction after it closed her account.

Miss M says given her vulnerabilities the closure of her account caused her significant distress and inconvenience as she didn't have another account at the time and it took her two weeks to open another. Miss M has asked for an ombudsman's decision on the matter.

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 hope that Miss M won't take it as a discourtesy that I've condensed her complaint in the way that I have, I accept and appreciate the strength of her feelings on the matter which are illustrated by her submissions to this service. But ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that.

And the crux of this complaint and remit of this decision is whether Lloyds unfairly closed Miss M's account with it.

It might help if I explain here, my role is to look at the problems Miss M has experienced and see if Lloyds has done anything wrong. And while I do take relevant law and regulation into account when arriving at a decision, my remit is focused on whether I feel a fair and reasonable outcome has occurred. Only a court could make a finding as to whether a business breached its duty under the Equalities Act or acted unlawfully as Miss M has submitted here.

As our investigator has already explained, as general rule Lloyds isn't obliged to continue offering an account to a customer if it doesn't want to – providing banking services and facilities and to who is a commercial decision and not something for me to get involved with.

That being said, it wouldn't be fair for Lloyds to suspend or close Miss M's accounts outside the terms and conditions of the account.

The terms and conditions of the account say that Lloyds can end the agreement without telling the customer in advance for a number of specified reasons, but it is also able to close an account for any other reason with two months' notice.

In this instance Lloyds provided Miss M with 65 days' notice of her account closure and the account was closed following this. I appreciate that Miss M first heard of this by text message and that must have been upsetting for her, but as our investigator explained this was the quickest way to convey an important message that was time sensitive and so I don't think this was unreasonable.

Miss M believes Lloyds closed her account unfairly due to the disputed transactions she raised. But Lloyds aren't obliged to keep offering services to customers or provide a reason for the commercial decisions it takes, just as Miss M wouldn't be expected to say why she chose a particular bank to transact with.

And in any case from the information I've seen, I'm satisfied that Lloyds's decision to close Miss M's account wasn't unreasonable and fits into the reasons outlined in the terms and conditions where Lloyds can end an agreement immediately. And so given Lloyds still provided Miss M with 65 days' notice of closure when it didn't have to, I don't think Lloyds have made an error or treated Miss M unfairly here.

I sympathise with Miss M's situation, and I appreciate that this has caused some inconvenience and distress which in turn may have impacted the health conditions she suffers from and day to day life. But this doesn't mean it automatically follows that Lloyds has failed to take this into consideration or did something wrong when closing her account.

Lloyds's records show it had noted Miss M's vulnerabilities and took these into consideration when making its decision to close her account and I think its advisers were patient and helpful during difficult calls where they explained Lloyds decision.

Furthermore, Miss M was given plenty of time to open another account - and my understanding is that Miss M did open an account elsewhere online on 15 May and had access to banking facilities soon afterwards. And as Lloyds took Miss M's circumstances into consideration when instead of Miss M having to go into branch to access her remaining funds it arranged for a bank transfer for her over the phone to a nominated account by her, I don't think Lloyds has treated Miss M unfairly here either.

So as I don't think Lloyds has done anything wrong or treated Miss M unfairly it follows that I do not uphold Miss M's complaint.

My final decision

For the reasons I've explained I've decided not to uphold Miss M's complaint.

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

Caroline Davies
Ombudsman