

The complaint

Miss K complains Lloyds Bank PLC failed to resolve a problem she was having sending a payment to the United States causing her considerable distress and inconvenience. In addition, Lloyds Bank PLC provided her with poor customer service.

What happened

Miss K has an account with Lloyds Bank.

Miss K says she tried to send money to an individual in the United States using her internet banking in order to pay for a service she'd received. She says she tried sending money twice – using her internet banking – and on both occasions her payment failed and was returned to her. She contacted Lloyds Bank asking for help. She says that despite following Lloyds Bank's instructions and despite using the correct payment details (again) that her payment failed and was returned to her. In other words, her payment failed a third time. She complained to Lloyds Bank about this and about poor customer service she'd also received along the way.

Lloyds Bank looked into Miss K's complaint and agreed that its customer service had at times been poor. So it offered her compensation. Miss K wasn't happy with Lloyds Bank's response and so complained to our service. She said she wanted £5,000 in compensation.

One of our investigators looked into Miss K's complaint but didn't recommend it be upheld. They said that they didn't think Lloyds Bank had made an error in relation to the payment Miss K was trying to send and, in any event, they said that they wouldn't recommend any additional compensation on top of the £260 in compensation that Lloyds Bank had said it had paid. That's because they thought £260 in compensation would be fair compensation even if an error had been made.

Miss K was unhappy with our investigator's recommendation saying that she didn't agree that Lloyds Bank had done nothing wrong. She also didn't agree that Lloyds Bank had paid her £260 in compensation. She, therefore, asked for her complaint to be referred to an ombudsman for a decision. Her complaint was, as a result, 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.

Last month I issued a provisional decision in which I said I was minded to uphold this complaint as I was satisfied that Lloyds Bank had made errors and to require Lloyds Bank to pay an additional £125 in compensation on top of the £175 it has already paid. Both parties were invited to comment on my provisional decision and both did. Lloyds Bank accepted. Miss K didn't. She said that the compensation Lloyds Bank has offered to date and the compensation I've said I'm minded to award doesn't reflect the distress, frustration or the considerable time and effort involving in resolving a problem she didn't cause. She said she still felt £5,000 compensation was fair and didn't agree that Lloyds Bank had already paid her £175 in compensation saying that £100 of the compensation it had paid relates to fees.

In my provisional decision I mentioned that I'd spoken to Miss K to get a better understanding of what had happened in this case and a better understanding of the importance of the payment she was trying to make. Having done so, I agree with Miss K that Lloyds Bank could and should have done more in this case and that simply trying the same thing that had already failed twice wasn't helpful. Because I'd spoken to Miss K, I also said that I thought she should be awarded £300 in compensation, consistent with our guidelines.

In my provisional decision, and since, I said that I was satisfied that Lloyds Bank has paid Miss K £260 in the course of this complaint but that only £175 of this compensation was for distress and inconvenience. I remain of that view, and I remain of the view that £300 – not £5,000 – is fair compensation.

Putting things right

Given everything I've said, I remain of the view that Lloyds Bank should pay Miss W an additional £125 in compensation in full and final settlement of this complaint.

My final decision

My final decision is that I'm upholding this complaint and require Lloyds Bank PLC to pay Miss K an additional £125 of compensation on top of the £175 it has already paid in full and final settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 9 March 2026.

Nicolas Atkinson
Ombudsman