

## **The complaint**

Miss K complains that Lloyds Bank PLC closed her account without notice and recorded adverse information about this with credit reference agencies.

## **What happened**

Miss K had an account with Lloyds which had a £1,500 overdraft limit. In April 2025, Lloyds says it wrote to Miss K as she hadn't paid money into her account for a while. It said that unless Miss K made a payment towards her account, it would remove the arranged overdraft. As Miss K didn't make a payment before the deadline set in that letter, Lloyds removed the arranged overdraft in May 2025. Lloyds says it then contacted Miss K asking her to repay her overdraft. In July 2025, Lloyds says it warned Miss K that if she didn't get in touch to agree a repayment plan, it would close the account after two months. Lloyds says it sent further letters. Lloyds then closed the account in September 2025. At that point the overdraft had an outstanding balance of £1,300. Lloyds recorded a default against Miss K in respect of the overdraft.

Miss K says this was unfair. She says she didn't receive the letters from Lloyds – and that as she didn't use the account frequently she didn't regularly check her in-app inbox. She says she didn't know about the closure until September 2025, when the account disappeared from the app. Miss K complained to Lloyds and referred the complaint to us.

An investigator looked at this, but didn't think the complaint should be upheld. Miss K doesn't agree. The complaint has been referred to me 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.

Lloyds says it closed the account after Miss K didn't respond to its attempts to contact her. But Miss K says she didn't receive these letters or messages. I need to decide what's most likely to have happened, based on the information that is available. Lloyds says it contacted Miss K by letter, in the app, and by text message. Based on what I've seen, it appears Lloyds tried to contact Miss K at least five times before it removed the arranged overdraft and wrote to Miss K a further five times before it closed the account. The letters Lloyds says it sent Miss K by post appear to be addressed to her normal postal address – and I can see Lloyds updated the address when Miss K moved. Lloyds has also sent us records of text messages it says it sent. At least three messages asked Miss K to contact Lloyds to discuss the account, while another warned her she needed to pay money into the account or risk payments not being made. Lloyds has sent us records of Miss K's online banking – which suggests she accessed the account at least once a month during this period. I'm persuaded correspondence would have appeared in Miss K's app, and I can't hold Lloyds responsible if Miss K didn't read them.

I find it unlikely that Miss K wouldn't have received any of the communications from Lloyds. It also seems likely that Miss K would have realised there was a problem with her account –

the messages from Lloyds suggest there were planned outgoing payments that couldn't go ahead because Miss K was overdrawn. With this in mind, I'm satisfied Lloyds acted fairly in withdrawing the overdraft and closing the account.

Miss K is concerned about her credit file and the impact Lloyds has had on this. But based on what I've seen, I'm satisfied Lloyds contacted Miss K to ask her to either repay the overdraft or contact it to enter an arrangement to repay it. These letters explained that if she didn't get in touch, it might register a default. Lloyds then recorded the default when the account closed. Lloyds is required to accurately report the status of accounts to credit reference agencies, and where a customer has missed the contractual payments for any borrowing this must be accurately reported.

I've considered Miss K's further comments. She says she contacted Lloyds in August 2025 to ask if she needed to provide any documents or take any further action to maintain the status of her account. She says Lloyds told her that everything was fine and she needed to take no further action. Lloyds says it has no record of this contact. I've thought about this. Given what I've said above, I still think Miss K reasonably should have known that Lloyds needed her to repay her overdraft, and so this doesn't change my conclusion.

### **My final decision**

I don't uphold the complaint.

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

Rebecca Hardman  
**Ombudsman**