

The complaint

Miss A complains that Lloyds Bank PLC closed her account without good reason.

What happened

Miss A has held several accounts with Lloyds. This complaint concerns a current account she held in August 2025.

On 4 August 2025 Lloyds wrote to Miss A to say that it would be closing her current account after two months, because, it said, she had been using it outside the terms and conditions. The bank's letter explained that Miss A would need to go to a branch, with identification documents, to withdraw any funds held in the account.

Miss A went to a branch on 13 August 2025, but was unable to withdraw funds until the branch had further authority from the bank. She was however able to do so later, and Lloyds' notes record that Miss A did not want to take that matter any further.

Miss A complained about the bank's decision to close her account. In doing so, she referred to previous complaints she had raised and said that she thought the bank was punishing her for doing so. Lloyds said it had treated Miss A fairly and in line with the account's terms and conditions. Miss A referred the matter to this service where one of our investigators considered what had happened and issued a preliminary assessment. She did not recommend that Miss A's complaint be upheld. Miss A did not accept that assessment and asked that an ombudsman review the case.

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 bringing this complaint, Miss A has referred to the closure of a joint account and of accounts in her children's names. I am concerned in this decision only with the closure of Miss A's account, and I make no comment on any other matters.

In making its submissions, Lloyds asked that some of the evidence and arguments which it submitted be kept confidential and not be disclosed to Miss A. This service can accept evidence in confidence where it considers it appropriate to do so (DISP3.5.9(2)R). Having considered carefully the nature of the evidence in this case, I am satisfied that it is appropriate to accept some of it in confidence.

It is generally for banks to decide whether to provide, or to continue to provide, account services to any particular customer. They can exercise their commercial discretion in such matters and, as long as that discretion is exercised legitimately, this service won't usually intervene. I have considered that issue here, and am satisfied that Lloyds's decision to close Miss A's account was a legitimate one. The bank did not have to tell Miss A exactly why it had decided to close her account. I do not believe it did so to punish her, as she has suggested.

Banks should however give reasonable notice before closing an account. What is reasonable depends on the circumstances, but we generally take the view that two months' notice is reasonable for a personal account. There may however be circumstances where a different notice period is reasonable. That period may be less or more than two months, and in some cases immediate closure may be appropriate. In this case, Lloyds gave two months' notice, in line with the account terms. I am satisfied that was reasonable.

My final decision

For these reasons, my final decision is that I do not uphold Miss A's complaint.

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

Mike Ingram
Ombudsman