

The complaint

G, a limited company, complains that it lost out financially because Lloyds Bank Plc made a mistake that caused a delay when processing an international payment.

It further complains:

- Lloyds completed unnecessary fraud checks.
- The international payment form is unclear as to when a reason for payment is required.
- Lloyds made it difficult to close its account.
- The call wait time was longer than projected.

G is represented in this complaint by a director, Mr S.

What happened

The facts of this complaint are well known to both parties so I won't go into detail here, but I will summarise the key points.

On 28 August Mr S made an international payment online from G's account.

That same day Mr S contacted Lloyds in response to a notification that the payment hadn't been sent. He was told this was so Lloyds could complete a fraud check.

The telephony adviser asked Mr S to confirm his date of birth which he refused to do as he says he had already input this via his keypad when he called. He says the adviser didn't ask him any more questions and this proves the fraud check was pointless.

Mr S was able to make the payment again whilst on the call and he asked the telephony adviser to confirm that everything would be ok now, which the agent did.

Our investigator listened to the call and said the adviser did ask further questions to confirm Mr S's identity and so disagreed that the fraud check was pointless.

Lloyds emailed Mr S on 29 August to let him know the payment had been returned as a payment reason was required for payments to Qatar.

Mr S didn't respond to the email, but he did call on 30 August when he saw the funds had been returned to the account.

Lloyds told Mr S that payments to Qatar are required to include a 'reason for payment.' Mr S

says that this box on the form was marked as optional.

Our investigator said she could see why this was confusing and urged Lloyds to consider making changes to the form. But as Mr S was subsequently able to arrange payment she didn't think this had resulted in any financial loss to G.

As a result of the issues he'd experienced Mr S decided to close G's account. He visited a branch to do this and completed a closure form and presented his identification.

The closure wasn't actioned, and when Mr S contacted Lloyds to find out why he was told his signature on the closure form didn't match the specimen signature held on its records. Mr S says he was told he would have to visit a branch again to sign a new form.

Our investigator listened to the customer's calls and said Mr S had been given options on how to close the account without visiting the branch. She didn't agree that Lloyds had made it difficult for him to arrange the account closure.

Mr S is seeking compensation and reimbursement for the following:

- £10,000 for financial loss.
- Interest for the day Lloyds held the payment before returning it to his account.
- Reimbursement of financial loss due to exchange rate difference.
- Return of all interest and charges paid by G to Lloyds whilst it banked with it because Mr S doesn't believe it has sufficiently fulfilled its function as a bank.
- £7600 for Mr S' time spent resolving the issue (8 x £950 per hour).
- Compensation for inconvenience and distress caused to Mr S.
- £70 reimbursement to cover the cost of a taxi to branch.
- Reimbursement of £800 for his shirt which Mr S says was ruined due to how much Lloyds made him sweat in anger.

Our investigator considered all the elements of the complaint, and said that whilst she sympathised with Mr S, she didn't think Lloyds needed to do anything to put things right and so didn't uphold the complaint.

Mr S didn't agree with the investigator and asked that the case be referred to an ombudsman.

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.

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I should begin by saying I can't make an award based on time spent by company staff or directors, but I can look at the overall impact any mistake had on the company.

The rules we follow can be found in the FCA handbook and tell us we can investigate complaints on behalf of eligible complainants. A full list of eligible complainants can be found in DISP 2.7.3(R).

In this case G is the eligible complainant, and we can only make awards to eligible complainants.

Mr S is acting as a representative of G, and so although I appreciate he may have suffered personal inconvenience or distress I can't make any award based on this.

Mr S raised several points of complaint, and I will address each individually for clarity.

Lloyds completed unnecessary fraud checks

Mr S says that being asked to repeat his date of birth to confirm his identity was a waste of time and proves the fraud check was unnecessary as when he refused the adviser was able to proceed anyway without asking any further questions.

I've listened to the call, and the adviser did ask alternative questions, albeit in a conversational way which might explain why Mr S didn't think he had. Mr S was also asked to log into his online banking whilst on the call.

The fraud check was required by Lloyds after Mr S set up a new payee and made a request to send a large payment.

I would expect banks to have processes in place to help combat fraud and to protect its customers. This service doesn't have the right to tell banks what those processes should be. And I wouldn't expect Lloyds to share with Mr S the details of how it goes about completing the checks.

I don't think Lloyds did anything wrong in completing the fraud checks or in how it dealt with Mr S when he called it.

Payment instruction form is unclear

I appreciate Mr S' point that when he asked the adviser to confirm that everything was ok now, he was told it was. However, the adviser was confirming only that the fraud check had been completed.

The 'reason for payment' is separate from the fraud check. The 'reason for payment' is a requirement for payments being sent to Qatar and distinct from the internal fraud checks completed by Lloyds.

I sympathise with Mr S that the 'reason for payment' section of the instruction form being marked as optional is misleading, but Lloyds did email Mr S on 29 August when it was clear

the information was needed to ask him to make contact. Had Mr S responded to this then I think it likely the payment wouldn't have been delayed.

However, I am pleased to see that Lloyds has told this service that it continues to work on improvements to its processes.

Financial loss due to exchange rate change

Mr S has told us that he was able to make the payment on 1 September, I can't see this leaving his account with Lloyds and so I presume Mr S was able to make the payment via another provider. Mr S hasn't provided any evidence in support of additional costs or losses to G due to an exchange rate difference and so I won't be asking Lloyds to do anything.

Lloyds made it difficult to close the account

I don't agree that Lloyds made it difficult for Mr S to close the account. Lloyds have provided me with a copy of the signature held on file for Mr S, and the signature on the closure form. I agree they are quite different, and so I wouldn't expect Lloyds to act on the closure instruction based on the signature Mr S provided.

After listening to the call, I agree with the investigators view that Mr S was given an option to close his account without visiting a branch by providing a new signature to Lloyds electronically. Mr S didn't want to do this and so visiting the branch was suggested as an alternative.

As Mr S was given a way to provide his signature without a visit to branch, I don't think Lloyds should be required to reimburse any taxi costs.

The call wait time was longer than projected

When Mr S called Lloyds he was told that the estimated wait time was 2 – 5 minutes. He then waited 10 minutes before he spoke to an adviser. I don't think this is unreasonable.

Loss of interest

Mr S asks that Lloyds pay interest for not re-crediting the funds to the account the same day. G holds a Lloyds business current account. As credit interest is not payable on this type of account G didn't suffer a financial loss and so I won't be asking Lloyds to do anything.

Refund of all interest and charges

Mr S has asked that all interest and charges paid by G whilst it held its account with Lloyds be refunded. I've addressed the issues raised in this complaint, and any refunds can only be considered as they relate to the complaint we have been asked to consider. I won't be asking Lloyds to do anything.

Reimbursement for cost of a new shirt

I've explained above that I can only consider the financial impact on G.

Compensation for the time Mr S spent resolving the issue

I've explained I can't make an award based on time spent by employees or directors.

I was pleased to see that Mr S has confirmed that he made the payment a few days later, and that the payee was understanding about the delay.

Mr S hasn't provided any evidence of financial loss or inconvenience to G and so whilst I am sympathetic to his frustrations I don't think Lloyds has done anything wrong in its dealings with G and won't be asking it to do anything different.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask G to accept or reject my decision before 15 April 2026.

Petina Edwards
Ombudsman