

The complaint

A charity, which I'll refer to as 'T', is unhappy that Lloyds Bank PLC didn't act on its instruction to set up a new standing order.

T's complaint is brought to this service by one of its trustees, whom I'll refer to as 'Mr S'.

What happened

T holds a business account with Lloyds which requires any two of the three registered signatories, of which Mr S is one, to authorise transactions. In December 2024, T wrote to Lloyds to explain that one employee was leaving and that a new employee had joined. This letter was signed by Mr S and one of the other signatories, but it did not explicitly instruct Lloyds to set up a new standing order for the new employee.

When Mr S later wrote to Lloyds and asked them to put a standing order in place for the new employee, Lloyds reviewed the letter and the signature they held in their mandate records for Mr S and concluded that the signatures did not match. Because of this, Lloyds declined to act on the instruction.

Notably, the issue around Mr S's signature was not new. Lloyds had raised concerns about a signature mismatch as early as February 2023, and at that time they told Mr S that to update or verify his signature, he would need to visit a branch with identification – an instruction that was very difficult for Mr S to comply with because of his physical disabilities. Lloyds also told Mr S about the process for obtaining a signature stamp, which they said would help avoid similar problems in future. But that process also required a branch visit, which as explained was problematic for Mr S, and Mr S didn't subsequently obtain a signature stamp.

In March 2025, Mr S raised a complaint about the standing order not being set up. Lloyds responded to Mr S and confirmed that they couldn't accept the signature they had received in the letter and explained that the standing order could still be set up if the other two authorised signatories signed the instruction, which would satisfy the account mandate.

Lloyds also repeated that the long-term solution remained for Mr S to visit a branch to complete the signature-verification process, and they confirmed that the branch Mr S intended to visit had wheelchair access. Finally, Lloyds accepted that their communication standards fell short on one occasion regarding a missed callback and they paid T £50 in recognition of that service failing.

In May 2025, the other two signatories sent a new standing order request, and the standing order was set up successfully.

Mr S remained unhappy with the situation and referred T's complaint to this service. Mr S felt that Lloyds should have provided him with the correct form to update his signature without requiring a branch visit. Mr S also asked for Lloyds to consider alternatives such as sending documents by recorded post or courier or arranging a home visit. Lloyds said these were not processes they were able to offer. Lloyds also explained that the earlier mandate-variation form issued in 2020, which would have allowed T to move to a one-signatory operation, had

never been returned.

One of our investigators looked at this complaint. But they didn't feel that Lloyds had acted unfairly towards T and didn't uphold the complaint. Mr S remained dissatisfied, so the matter was escalated to an ombudsman for a final decision.

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 issued a provisional decision on this complaint on 20 March 2026 as follows:

This complaint has been brought in the name of T, the charity, which is the account-holder and the customer of Lloyds for the purposes of this dispute. That means that I can only look at what happened from the perspective of T as an organisation and whether Lloyds treated T fairly. It also means that I cannot take into account any personal upset, inconvenience or frustration experienced by Mr S himself, even though I appreciate that the circumstances have been difficult for him.

This is because the rules by which this service must abide, which can be found in the Dispute Resolution ("DISP") section of The Financial Conduct Authority ("FCA") Handbook include that The Financial Ombudsman Service is not able to award compensation for an individual's personal distress where the complainant is a business or a charity. This means that Mr S's personal feelings and dissatisfaction cannot form part of the outcome here.

I've also considered the obvious question of whether this complaint ought to have been registered in Mr S's personal name instead. But again, as per the rules previously mentioned, that isn't something the service could have done. This complaint arises entirely from the operation and management of T's business account, not Mr S's own personal banking. Only the account-holding customer can complain about the running of that account, and in this case the account-holding customer is T. This means that the eligible complainant here is T, not Mr S personally, and my decision has to follow that.

Turning to the substance of the complaint, the first issue is the December 2024 letter that T sent to Lloyds. I acknowledge that this letter included the new employee's bank details and the details of how much that person would be paid per month. But I'm satisfied that it didn't include a clear or specific instruction to Lloyds to set up a standing order. Lloyds were therefore entitled to treat the letter as information rather than an instruction. And even if Lloyds had interpreted the letter differently, they wouldn't have been able to set up the standing order because the letter contained only one valid signature (as Mr S's signature did not match their records), and the account required two to sign.

I've also considered whether Lloyds should have followed up with T to check whether a standing order was intended. But I don't think Lloyds were required to do so. Banks can only act on clear, valid instructions, and they are not expected to infer or guess a customer's intentions, especially for recurring payments, where clarity and mandate compliance are essential. In my opinion the letter wasn't ambiguous; it simply didn't give a payment instruction.

The next issue is Lloyds' decision not to act on the later instruction because Mr S's signature didn't match their mandate records. I'm satisfied Lloyds acted reasonably and in line with the security requirements that apply to business accounts. The evidence shows that Lloyds had raised concerns about a signature mismatch as early as 2023 and had explained the process that needed to be followed to correct this, namely, a visit to a branch with

identification. The same requirement applied to obtaining a signature stamp. These processes exist to protect customers, and I've seen nothing to suggest Lloyds applied them incorrectly or unreasonably here.

I understand that visiting a branch was difficult for Mr S because of his disabilities. But the need for a branch visit was based on Lloyds' legitimate security procedures, and I'm satisfied that Lloyds offered reasonable alternatives for T as an organisation. This includes that Lloyds explained several times that the other two registered signatories could sign the standing-order form, which would satisfy the mandate requirements without requiring any action from Mr S. When those signatories did eventually provide a valid instruction, the standing order was set up without issue. As such, I'm satisfied that T was not prevented from operating its account and that there was always a clear route available for T to give a valid instruction.

I recognise that Mr S feels Lloyds should have made additional adjustments such as sending forms by recorded delivery or courier or arranging a home visit. But those steps fall outside what Lloyds offer as part of their banking services, and I don't think they were required to go beyond their normal processes here, especially when T had other signatories who could authorise the transaction without involving Mr S.

Finally, I note that Lloyds have acknowledged that their communication fell short on one occasion, relating to a missed callback, and they compensated T £50 for that. That feels reasonable to me, and I don't think Lloyds need to do anything further regarding this specific service issue.

All of which means that I won't be upholding this complaint or instructing Lloyds to take any further or alternative action. I appreciate that Mr S is unhappy in a personal sense about how he feels Lloyds have treated him, but as explained previously, any personal dissatisfaction Mr S may have falls outside the remit of what I can consider here. And, ultimately, I don't feel that Lloyds have treated T, the charity, unfairly or caused it any inconvenience such that any further action or compensation is merited.

Neither Mr S nor Lloyds responded to my provisional decision and therefore raised no objection to it. As such, I see no reason not to issue a final decision here wherein I do not uphold this complaint for the reasons explained above. And I therefore confirm that my final decision is that I do not uphold this complaint for those reasons accordingly.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 6 May 2026.

Paul Cooper
Ombudsman