

The complaint

Mr L complains that a payment he was expecting into his Lloyds Bank Plc account wasn't received.

He further complains he was given incorrect information about the reason the funds hadn't been received.

What happened

Mr L says his sister sent a payment to his Lloyds account which was never credited. He says the funds were rejected by Lloyds and returned to his sisters account with another provider.

Mr L says as a result of Lloyds rejecting the payment he has incurred additional costs of over £1500 and is seeking the recovery of these costs from Lloyds.

Mr L called Lloyds to find out why the funds weren't showing on his account, and was told it could be because the savings account he holds doesn't allow deposits of that type. Mr L says his account does allow deposits.

Lloyds has acknowledged Mr L was given incorrect information about his account when he first called to find out why the transfer of funds from his sister wasn't showing in his account. It confirmed Mr L can receive payments into his account.

It sent him a cheque for £75 by way of compensation for its error, but Mr L says he doesn't want to accept this.

Our investigator said she thought the offer made by Lloyds was fair and reasonable for the mistake it made.

Lloyds told Mr L it didn't have any record of having received or rejected a payment intended for his account.

To help Lloyds investigate further our investigator asked Mr L to obtain more information about the sender and the senders bank, but Mr L said his sister is cautious in giving out her bank details and so would be unlikely to provide the information requested.

Mr L provided limited information but couldn't be specific about the sender or senders details.

As Mr L couldn't provide enough information to assist Lloyds in its attempt to trace the payment our investigator didn't think it had done anything wrong.

Mr L didn't agree with the investigators view and asked that it 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.

Having done so, I agree with the investigator and will explain why.

Mr L says a payment sent from his sisters account was rejected by Lloyds.

Lloyds investigated but wasn't able to identify that it had rejected any payments sent to Mr L's account.

Our investigator asked Mr L to provide more information about the payment including details of the account it was sent from etc.

Mr L was only able to provide limited information i.e. three possible options for the name the account came from. It's unclear if Mr L obtained this information from his sister as he told the investigator that his sister would be reluctant to share any of her account information due to fraud concerns.

Lloyds investigated further after receiving this information but couldn't find any trace of a rejected payment. I thank Lloyds for its efforts to trace the payment with the limited information with which it was provided.

In a call with our investigator Mr L said the sending bank had told his sister it wasn't possible to give her anything because she tried to make the payment online.

I take this to mean it couldn't give her any information that would help trace the payment.

It is usual practice for the sending bank to provide its customers or the receiving bank with information including a payment reference when a payment is disputed. An audit trail is generally available for all payments, including those initiated online by the account holder.

As neither Lloyds nor this service have been provided with any evidence that the payment was sent to Mr L's account at Lloyds, I can't say it did reject the payment, and so it follows I can't say it did anything wrong.

If Mr L's sister is able to obtain a payment reference for the disputed transfer from her bank, then he can share this with Lloyds who will be able to investigate further. Alternatively, Mr L's sister can ask her bank to investigate on her behalf.

I understand Lloyds made a mistake when an agent on its fraud line suggested the payment may have been rejected because of the type of account Mr L held.

However, this was a small error which was quickly corrected and didn't have any bearing on the payment not being received into Mr L's account.

Lloyds have issued Mr L with a £75 cheque as compensation for the distress and inconvenience caused when it gave him incorrect information. I think this is fair and reasonable under the circumstances.

I know Mr L will be disappointed with my decision, but I hope I have made my reasons clear.

My final decision

For the reasons given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 22 May 2026.

Petina Edwards
Ombudsman