

complaint

Mr G complains that Lloyds Bank PLC closed his classic account.

background

By letter dated 2 April 2015, Lloyds wrote to Mr G saying that following a recent review of his account, it was unable to maintain a banking relationship with him. It gave him notice that his accounts would be closed on 1 June 2015. Lloyds advised that he would need to make alternative banking arrangements by that date.

Mr G was away overseas from 3 April to 28 May due to a death in the family. So he didn't actually see the letter until 29 May. He contacted Lloyds in person, on the telephone and in writing to request a reconsideration and an extension of time. But Lloyds proceeded to close the account on 1 June 2015.

Mr G complained to Lloyds about the closure of his joint accounts as well as of this account. The complaint about the closure of the joint accounts is dealt with in another decision.

On 1 June, Lloyds wrote to Mr G, explaining that it was unable to go into specific detail about why the accounts were closed, as the criteria were confidential. The letter said it hadn't been possible to get agreement from the account review team to extend the time for closure and the account had been closed at around noon that day.

Lloyds apologised for the account closure letter being issued in his name alone, even though the main account was held with Mr G's wife. It offered compensation of £100, which Mr G didn't accept. But Lloyds didn't specifically consider the position with the classic account that was held solely by Mr G – its comments were concerned with his accounts held jointly with his wife.

In early August 2015 Mr G complained to us. He wanted his accounts restored with the full benefits he had at the time of closure. He said the closure had drastically affected his credit score. He also wanted an apology and compensation.

Our investigator issued her view on Mr G's complaints about the account closures in October 2018. The case had been on hold for some years due to Mr G's absence overseas ill. She didn't deal specifically with Mr G's classic account, but concentrated her comments on his jointly held accounts.

I issued a provisional decision dated 15 January 2019. My provisional findings were:

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 think Lloyds was entitled to close Mr G's account in the way that it did and needn't pay any compensation. I'll explain why.

Mr G thinks his accounts, including this one, have been closed because of a Lloyds error in relation to his cheque that led to the CIFAS report. As I've said in another of my decisions, I'm unable to consider that issue because I don't have the power to do so. This is because the complaint was brought to our service too late. But I can say that Lloyds have told us that the accounts weren't closed because of the CIFAS notice. I've no reason to doubt this.

Lloyds is able to close accounts without giving a reason, provided it gives the appropriate notice. And in the case of Mr G's classic account, it did give the necessary notice. It sent a letter addressed to Mr G. He didn't get it because he was overseas when the notice of closure dated 2 April 2015 was received at his house. But that isn't the fault of the bank. So Lloyds was entitled to close the classic account on 1 June. Because of this, I don't think Lloyds has done anything wrong.

Subject to any comments I receive from Mr G and Lloyds, I won't be asking Lloyds to do anything further in relation to this complaint.

Lloyds confirmed it had received my provisional decision but said it had no comments. Mr G said he didn't think Lloyds had behaved acceptably but that he had no choice but to accept my decision. Mr G made this comment in relation to three decisions of mine he received at the same time.

my findings

I've re-considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I understand Mr G is disappointed with my decision. That's understandable given I wasn't able to consider an aspect of his complaint because he'd complained too late. But as he's accepted it, and Lloyds had no comment, I see no reason to change my provisional decision.

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 Mr G to accept or reject my decision before 1 March 2019.

Helen Wheatley
ombudsman