

## **complaint**

Mr M, on behalf of his company, complains that Lloyds Bank PLC didn't set up a telephone banking password for him. This meant he wasn't able to make a loan repayment to a third party and has now been charged substantial interest on that loan account.

## **background**

Mr M needed to make a payment on 29 January 2016. He made four phone calls the day before and two phone calls on the day of the payment to try and set up telephone banking and make arrangements for the transfer to be made. His attempts were not successful. And he didn't have access to internet banking because Lloyds didn't send him the card readers.

Lloyds said its internal processes had been followed correctly during the phone calls Mr M made although it was sorry he'd been directed to the wrong departments. At that stage it paid him £18 for his phone calls and £25 for the inconvenience it'd caused him. It issued its final response on 15 March 2016 and apologised for the service he'd received with his telephone banking application and non receipt of his card reader. It offered him a further £500 for the distress and inconvenience it'd caused him. That offer is still open.

The adjudicator didn't recommend the complaint should be upheld. She noted that Mr M had faced similar problems in June 2015 and hadn't arranged for internet or telephone banking to be set up after that. His call to Lloyds on the 29 January didn't make it clear how urgent the payment was. Mr M said she should listen to the calls he'd made after that date but she thought they weren't relevant to the late payment. So she didn't recommend that Lloyds refund the extra interest on his loan because there was more that he could've done to make sure the payment was made on time.

Mr M wasn't happy about this. He said that Lloyds' errors at setting up his telephone banking meant that he missed a payment on 29 January and now has to pay substantial interest charges. It'd sent paperwork to his business premises even though he'd asked it not to because there's no letter box. And he didn't receive a card reader to allow him to do his banking online. He listed a number of additional complains about the poor service Lloyds had given him.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr M needed to make a payment on 29 January 2016. He phoned the bank four times the day before to try and set up telephone banking but had difficulties reaching the right department. I've listened to those calls and at that stage he didn't mention the transfer he wanted to make the following day. He phoned twice on 29 January and asked to make the transfer. There were problems over the password and he made a complaint because the bank's system hadn't been updated. He told Lloyds the transfer needed to be done by the end of the day but due to time constraints he said he would call his accountant and make the payment the following day. He phoned Lloyds the next day to try and make the transfer but it told him it couldn't be done immediately without the beneficiary first being set up.

Having listened to the phone calls I can understand Mr M's frustration. And Lloyds has accepted there was a delay and that it gave Mr M a poor service. It has offered £500

compensation for the distress and inconvenience it's caused him. But Mr M says it should pay him substantially more particularly as his debt was increasing daily while he was trying to sort out this problem.

I know Mr M won't agree with me but I don't think Lloyds could've reasonably foreseen that the delay in sorting out the telephone banking would've resulted in the financial situation he's now in. He didn't tell the bank how important it was that he made the transfer on 29 January and he didn't explain to the bank the financial implication of the non payment. I can see from Lloyds' records Mr M phoned it on 5 February for an update about his telephone banking registration. And at that point he said he'd missed payments to his accountant, and to a third party company who is charging him substantial interest. So I don't think Lloyds previously knew about the urgency of this payment. In those circumstances I think the compensation it's already offered him is fair and reasonable taking into account all the issues he's raised in relation to the poor service it's given him.

I sympathise with Mr M's current situation but for the reasons I've given I can't fairly ask Lloyds to do more. I leave it to him to contact the bank if he wants to accept its offer of £500.

### **my final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 26 October 2016.

Linda Freestone  
**ombudsman**