

complaint

Mr B complained because Bank of Scotland plc, trading as Lloyds, repeatedly failed to process his incoming pension payments in a timely way.

background

Mr B had pension payments coming in to him from a European country. He'd had no problem with these being received in his UK bank account until he moved his account to Lloyds. The first time the money was due to come into his Lloyds account, in summer 2014, it took two months. He thought this was an initial change-over blip, but it happened twice more. He complained to Lloyds.

Lloyds replied that it had held Mr B's pension payments because it needed further information from the remitting bank. This was because Lloyds was concerned about a possible match with a sanctions list. Lloyds said the remitting bank hadn't responded with the information it needed, which could result in credits being delayed and returned.

Mr B wasn't satisfied with this. He said there had been no problems with receiving the money into his previous UK bank. He accepted that banks need good security, but said that if Lloyds had been interested in customer service, it should have told him that it needed a reply from the European bank, so he could have chased his company pension organisation harder. Mr B said that his pension organisation was insulted by the repeated enquiries, and he felt that such questions could be asked once, but not every couple of months. He agreed the European bank which his pension firm used had been at fault as well, but said Lloyds had made little effort to help resolve the matter. Instead, it had repeated the same enquiries all over again a few months after the first payment. He said no-one had ever apologised, and his local branch had never been able to get adequate answers internally.

The adjudicator didn't agree with Mr B's complaint. He said that this service is unable to influence a bank's decision about policies and processes about security checks. He thought Lloyds had made reasonable efforts to ensure the payment could be accepted into Mr B's account, and he didn't consider Lloyds need apologise to Mr B.

Mr B was unhappy with this response. He said that the crux of the matter was that the same questions were asked of his pension provider over and over again. He believed that customer service was totally lacking, and the bank's processes had made it impossible to receive his pension from a reputable European company. Even if Lloyds had not made any errors, its customer service was clearly lacking as it failed on several occasions to give him his pension.

my findings

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

I can understand why Mr B was dissatisfied with Lloyds. I also note that he had been patient when the first pension payment took two months, and he accepts the need for security. It must have been really frustrating when the problem occurred repeatedly, and his suggestion that Lloyds should in some way have tried to record his incoming pension as "clean" is understandable. It also appears that Lloyds didn't tell Mr B at the time that the problem was that the European bank hadn't replied to its questions – only in its final response letter.

I gather that Mr B's European pension provider has suggested a solution – paying his pension to a bank in that country, then transferring the money to Mr B's Lloyds account. I'm glad this works, but I can see that getting this solution doesn't reduce Mr B's frustration with Lloyds' customer service.

But this service can't interfere with how a bank interprets security requirements, or what procedures it chooses to adopt. It's the Financial Conduct Authority (FCA) which looks at procedures. Lloyds was entitled to conduct security checks of its choice, in order to ensure it satisfied the very strict requirements around international security. I have also seen a copy of Lloyds' message to the European bank, which does indeed set out what information it needed and within what timescale. So Lloyds' explanation of what it did was accurate, and the bank maintains that it needed to do this to meet the stringent security requirements. In these circumstances, I don't have the power to uphold Mr B's complaint.

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 Mr B to accept or reject my decision before 9 November 2015.

Belinda Knight
ombudsman.