

## **complaint**

Mr W complains about the maladministration of his bank account held with Lloyds Bank Plc, and the way in which the investigation into this was handled.

## **background**

Mr W contacted Lloyds by phone in October 2017 to query why he had received two debit cards within a very short period of time back in 2014. Mr W also explained that he hadn't received a bank statement for several years. During the call, it transpired that Lloyds hadn't updated Mr W's residential address when he moved in 2011, and it appears that they had only updated his correspondence address. This meant that Mr W's statements had been sent to his previous address, but the advisor he spoke to said that they had been returned as undelivered. So Lloyds stopped sending statements from this point.

Mr W complained, as he was concerned that his data was at risk of being intercepted and used fraudulently. In summary, Mr W has complained that:

- Lloyds failed to update his address which put his personal information at risk, and meant that he hadn't received any statements for several years;
- He received two debit cards in 2014 within a short period of time and was given no reason. He wrote a letter at the time to query this, which he hand-delivered to a Lloyds branch, but he received no response;
- He is unhappy with the way his investigation/complaint was handled, and feels he received poor service throughout. Lloyds also failed to address all of his complaint points;
- He sent a further letter to Lloyds around the time he initially complained, regarding a separate matter, which also hadn't been dealt with.

Lloyds conceded that they had made an error by failing to ensure that Mr W's address was accurate, and offered £235 by way of compensation, which he declined. They also issued a further written apology accepting that the service he had received was not of the standard they would expect. Our investigator felt that the compensation and apology were reasonable in the circumstances. Mr W disagreed, so the complaint has been passed to me.

## **my findings**

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 have decided not to uphold Mr W's complaint as I also consider the offer of £235 to be reasonable in the circumstances.

### *failing to update the address*

Lloyds have acknowledged that they made an error by failing to properly update Mr W's address when he informed them he was moving in 2011, and they've apologised and offered compensation, which Mr W declined.

In assessing whether the level of compensation offered is adequate, I have had regard to the overall impact this error has had. And while I appreciate it may have caused Mr W stress and worry about his information being used fraudulently, there is no evidence of this being the case. Following his statements being returned as undelivered, Lloyds put a block on any

future statements being sent out to the residential address they had on record. Lloyds say this block was put in place from March 2011, which was around the time Mr W informed them of his change in address.

So given that no further statements were sent, it doesn't appear that Mr W's data was at any real risk because of the error, and there appears to be no evidence of any fraudulent or suspicious activity in any event. I understand that Mr W was without his statements for several years, which would be inconvenient. But if he did ever find himself in a disadvantageous position as a result of not receiving his statements, it would be fair to assume he would've queried this long before he actually did.

Lloyds offered £225 in compensation, plus a further £10 to cover the cost of calls, etc. And overall – while I appreciate the situation caused by the error may have caused a certain amount of distress and inconvenience – I don't consider the actual impact to warrant any further compensation in the circumstances.

#### *receiving two debit cards*

Mr W says that he became concerned when, in 2014, he received two debit cards linked to the same account within a very short space of time. He says he wrote a letter to query this at the time, which he hand-delivered to a Lloyd's branch – but he never received a response.

Lloyds looked into the issue when Mr W queried it again in 2017, and they've said it was due to their system automatically renewing the card after a review for a contactless payment facility. They've confirmed it was not manually ordered as a result of a third-party request. Given that Mr W was also in possession of both cards, I'm satisfied that there wasn't any real security risk in this instance.

I appreciate Mr W may have been frustrated not to have received a response to his hand-delivered letter. But as it was so long ago, Lloyds aren't able to comment on why this was the case. And in any event, he could've called up to question this at the time, rather than waiting three years to question the situation again.

#### *investigation/complaint-handling*

Mr W has raised a number of concerns regarding the way in which his complaint was handled by Lloyds from the outset. He has also since raised separate concerns in another letter sent to Lloyds where, again, he says he did not receive a response. But I understand that Lloyds have since issued Mr W with another reference number and are now looking into the additional concerns raised.

I appreciate that the service Mr W experienced could've been better, and Lloyds have apologised as such. But in this case, I can only consider Lloyds' activities that are covered by our service, i.e. the administration of his bank account ancillary to the *regulated activity* of deposit-taking; I'm not allowed to consider unregulated matters beyond our remit, such as the overall quality of their *complaint-handling*.

But considering the issues I *can* look into, I consider the total compensation of £235 to be fair and reasonable in all the circumstances, in recognition of the overall distress and inconvenience caused by Lloyds; so I will not be asking them to offer anything further.

### **my final decision**

Lloyds Bank Plc have made an offer to pay £235. I conclude that such an offer is fair compensation in all the circumstances. My decision is that Lloyds should pay Mr W £235 – if they haven't already done so – within 28 days of their receiving notice of his acceptance of this decision.

Mr W should note that if he accepts my decision, it will be legally binding on all parties and he probably then wouldn't be able to take legal action over this matter for additional compensation. If, however, he rejects the decision, although his legal rights will remain intact, it'll be purely a matter between Mr W and Lloyds as to whether the £235 offer still remains open for acceptance. Strictly speaking, an offer is not binding on the offeror after rejection of it has been communicated.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 16 June 2018.

Jack Ferris  
**ombudsman**