

### **complaint**

Mr F complains that shortly after opening a business account, Lloyds Bank PLC closed it without explanation or notice. He discovered the closure when he was trying to transfer money to the account. Mr F believes the bank should provide reasons for its decision, and is seeking compensation for the difficulties caused. In response, Lloyds Bank says it did notify Mr F, and that it acted in line with the account terms.

### **our initial conclusions**

The adjudicator acknowledged Mr F had had to make alternative banking arrangements. But she didn't think Lloyds Bank had acted wrongly when it closed the account, having given due notice. But Mr F didn't agree. He said Lloyds Bank had encouraged him to apply for the account in the first place. It had continued to send him account stationery and offer him internet banking registration, during May and June. And it still hadn't given its reasons for the closure.

### **my final decision**

To decide what's fair and reasonable in this complaint, I've considered everything Mr F and Lloyds Bank have provided.

The account terms allow Lloyds Bank to close the account either by giving 60 days' notice, or immediately in certain circumstances. Here, I'm satisfied the bank's contact records demonstrate that it wrote to Mr F in May; two months before it closed his account. I accept Mr F might not have received the bank's letter, but that isn't the same as the bank failing to send it.

From what I can see, the bank notified Mr F fairly quickly that it no longer wished to provide him with banking facilities. I take Mr F's point that Lloyds Bank didn't explain the situation to him when he spoke with it, though it had already taken the decision. And I can understand his confusion at the bank sending stationery despite this. The adjudicator thought this was likely to be down to Lloyds Bank's automated account opening process. It doesn't appear to me the bank had any intention to mislead Mr F. And I don't consider it obliges the bank to compensate him for business costs he's incurred informing his customers of a change of banking details. After all, he was always going to have to do this once the bank decided to withdraw facilities.

**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 F either to accept or reject my decision before 25 November 2014.**

*Niall Taylor*  
ombudsman at the Financial Ombudsman Service

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

#### **ombudsman notes**

I can understand Mr F may find the position frustrating, and that he'd like to know the reasons for the bank's change of heart. But a bank is under no obligation to give anything more than a general reason for closure, as Lloyds Bank did here in its letter giving notice.

#### **what is a final decision?**

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

#### **what happens next?**

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.