

## **complaint**

Mrs S complains that Lloyds Bank plc unfairly closed her account and made a registration with a fraud prevention database, following a fraudulent payment being received into her account.

## **background**

Mrs S had a current account with Lloyds. An international electronic transfer of £2,008 was received into her account. A few days later, a deposit of £2,040 was made into Mrs S's account by her partner. That same day, Mrs S went to the Lloyds branch and drew out £4,010.

Lloyds was notified, some two weeks later, that the international transfer was fraudulent. It wrote to Mrs S to tell her what had happened and to ask her to contact it about the money. Mrs S says that the letter was delayed in the Christmas post and that she did not realise anything was wrong until she tried to make a transaction and her bank card was retained.

Lloyds closed Mrs S's account and made the fraud prevention database registration.

Mrs S says that she does not know how the fraudulent transfer came to be made to her account, and that she was unable to go into the branch to discuss the matter at the time because of illness. She feels that Lloyds was unfair to close her account and register information with the fraud prevention database, which she fears will affect her credit rating.

Lloyds did not agree that it had done anything wrong, and so things were not settled. Mrs S brought her complaint to this service where an adjudicator investigated it. The adjudicator tried on a number of occasions to speak with Mrs S to discuss her complaint, but was not successful in contacting her.

From the available evidence, the adjudicator was not persuaded that Lloyds had acted unfairly in closing the account or making the registration.

Mrs S did not agree with the adjudicator's conclusions and said, in summary:

- She is not satisfied that the investigation has been transparent and fair and would like a copy of Lloyds' response to the ombudsman service.
- She did not know that the international transfer had been received into her account, and simply asked the cashier to give her the whole balance leaving just a bit of money in the account in case. The cashier did not tell her the balance, or the transactions that made it up.
- Lloyds was negligent to let the international transfer into her account, as the name on the transfer did not match the name on her account.
- She offered to pay the money back, but Lloyds would not accept it. Lloyds made the fraud registration without waiting for her response, and so she was not given a fair chance to sort things out. If Lloyds is saying she was involved in fraud, has it told the police?

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Mrs S says that she was expecting her partner to deposit money into her account, but did not know how much it would be. She says that when she went that same day to draw the money out, she did not realise that her account balance also included the international transfer that had come in a few days before.

Yet she also told us that, when she made the withdrawal, she was surprised that there was more money than had been expected in her account. So Mrs S must have had some expectation of the amount that her partner was going to pay in, if she was then surprised. Mrs S apparently went ahead with the withdrawal without comment or question.

Mrs S says she made the withdrawal in ignorance of how much money was in her account. From Mrs S's most recent comments, there was no discussion at all about the balance in the account or the exact amount she wanted to withdraw – she says she asked the cashier to leave “*just a bit of money*” in her account. In the earlier complaint form, she said that she asked the cashier to withdraw the balance leaving exactly £100 in the account. All but £54.12 was, in fact, withdrawn.

I am afraid that I have not found Mrs S's evidence convincing on these points. There are inconsistencies and I find Mrs S's account of the circumstances of the withdrawal, in particular that she conducted the whole transaction in ignorance of both the amount of money available in her account and the actual amount of cash she was going to be given, improbable.

I also note that Lloyds sent a letter to Mrs S, on the day the international transfer came in, enclosing the detailed receipt. Even if Mrs S had not received that letter when she went to withdraw the money, there is no indication that she made any later query about it.

Mrs S now says that she tried to give the money back but that Lloyds refused her. I have seen no evidence to support that, and the contemporaneous notes record that Mrs S told Lloyds that she had spent the money.

I do not accept that Lloyds was at fault in applying the transfer. As the adjudicator has already explained to Mrs S, the international transfer arrangements use the account codes and number, not the beneficiary name, to allocate payments. Lloyds did not have any duty to double-check the name, though it was open to Mrs S to raise a query when she saw the details on the receipt.

In all the circumstances, I find that Lloyds did not act unfairly in closing Mrs S's account and registering the information with the fraud prevention database.

Mrs S has also told us that she believes Lloyds has not dealt correctly with her data subject access request, and we have explained that she may follow that up with the Information Commissioner's Office.

**my final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs S to accept or reject my decision before 17 August 2015.

Jane Hingston  
**ombudsman**