

## **complaint**

Mr S complains that Lloyds Bank PLC has lost items it was keeping for him in safe custody.

## **background**

Mr S signed a safe custody agreement in 2006 and deposited a locked box which was described as holding items of intrinsic value. In May 2014 the box was retrieved from the third party that was then holding the box on behalf of Lloyds and was accessed under dual control at a branch. At the time the box was noted as being partly open but was not examined by Mr S until he returned home. He said that a watch and other jewellery to a value of up to £10,000 were missing. Lloyds said it could not be liable for the loss but paid Mr S £200 in compensation for his distress.

The adjudicator recommended that the amount of compensation for trouble and upset be increased to £500. He said that:

- Lloyds had said that the box would have been originally sent to the third party in a sealed, bar-coded bag and would only have been accepted on this basis.
- It seemed that when the box was retrieved it had been placed in a further bag by the third party and the original bag inside was open and the box was partially open with the lock broken.
- This contradicted the explanation given by Lloyds in its final response and indicated that the box had been opened in transit between Lloyds and the third party and this did not appear to have been investigated.
- Although Mr S was responsible for insuring the items this did not remove Lloyds' liability to keep them safe.
- Mr S was unable to provide evidence he owned the items, for example through receipts or photographs of him wearing the items, and said he had not insured them.
- The adjudicator was unable to identify any financial loss but suggested further compensation for distress.

Mr S did not agree and said, in summary, that he believed that the terms and conditions of his agreement said that Lloyds would be responsible for up to £2,000 of loss or damage.

## **my findings**

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

Where the evidence is incomplete, inconclusive, or contradictory (as some of it is here), I reach my decision on the balance of probabilities - in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

As I understand it, the purpose of placing the box in a sealed, bar-coded plastic bag was so that any evidence of tampering with the item could be evident. Although it is possible that the lock could be damaged- say if the box had been dropped in transit- that would not explain why the original bag had been opened and enclosed in a new bag. I would have expected this to have been noted by the third party on behalf of Lloyds when it was returned. I find on balance that Lloyds failed to keep it safe.

When Mr S received the damaged box, neither he nor Lloyds insisted that the contents then be examined and any missing items identified. Mr S told it two weeks later what was

missing. He also has indicated that the box contained cash but he accepted that this would not be covered for loss. He has been unable to provide anything to confirm the items in the box and that he owned these items. He had no insurance and I note that the adjudicator has asked him to provide any evidence about these missing items, including photographs, as the watch was apparently a wedding present. Unfortunately he has been unable to do so. As a result I agree with the adjudicator that it is not possible on the evidence to quantify a financial loss.

Mr S was paying for a service from Lloyds and I consider it should pay him compensation for the substantial trouble and upset he has been caused. I increase the total level of compensation to £750 as I see no evidence that Lloyds investigated this complaint properly or has provided any account from the third party of what happened. I appreciate that this increased amount will remain a disappointment to Mr S given what he has said about the value of the items lost.

**my final decision**

In light of the above my decision is that I uphold this complaint and I order Lloyds Bank PLC to pay Mr S total compensation of £750 of which I understand it has already paid him £200.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr S to accept or reject my decision before 22 June 2015.

Michael Crewe  
**ombudsman**