

complaint

Mr M and Mrs N complain that Lloyds Bank PLC closed their accounts and recorded a CIFAS marker against them. They are unhappy that Lloyds has failed to provide a full explanation of their actions.

Mr M and Mrs N are represented by solicitors in referring their complaint here.

background

Mr M and Mrs N were advised that their accounts would be closed with immediate effect. Notification was also received from CIFAS that a marker had been placed against their names on the basis that banking facilities had been misused. This is disputed by Mr M and Mrs N and they sought an explanation from Lloyds about the actions it had taken.

Lloyds explained to Mr M and Mrs N that it had closed the accounts in accordance with the applicable terms and conditions and that it could close accounts without giving a reason for doing so.

And our adjudicator explained that a bank can choose to end its commercial relationship with a consumer at any time and does not have to give an explanation as to why. Equally, a consumer can choose to move their account without giving a reason for doing so. As regards to the CIFAS markers that had been applied, the adjudicator did not conclude that the markers were incorrectly applied but advised Mr M and Mrs N to make a formal complaint to CIFAS if they believed the information that had been recorded was incorrect.

The solicitors acting for Mr M and Mrs N asked for the complaint to be reviewed by an ombudsman. They are seeking an explanation from the bank for its actions.

my findings

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

I recognise the level of concern that Mr M and Mrs N have about the closure of their accounts, without explanation. But, as has been explained, the bank is entitled to close accounts - including with immediate effect - and without explanation. I accept that there are procedures that the bank would be expected to adopt in the administration, and closure, of accounts but I cannot require the bank to have specific procedures in place. And I am not aware that the bank failed to follow its own internal procedures in respect of its treatment of Mr M and Mrs N's accounts.

It is also the case that a bank will register information with CIFAS where it feels it should do so and I would not necessarily expect it to provide a detailed explanation to its account holder as to why it has done so. In this matter, again, I am not aware that the bank has failed to follow its own procedures for the recording of information with CIFAS or that it did so inappropriately. As the adjudicator explained, though, Mr M and Mrs N can make enquiries of their own directly to CIFAS if they wish as they are concerned about information lodged with that organisation.

In light of what I have said, while I acknowledge the frustrations, and indeed distress and inconvenience, that Mr M and Mrs N have suffered as a result of the situation relating to the

accounts, I can see no basis on which I might make an award against Lloyds, given that I make no finding of the bank having failed to properly follow its own procedures or acted inappropriately.

my final decision

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

Ray Neighbour
ombudsman