

complaint

Mr A complains that his account with Lloyds TSB Bank Plc was closed after he received fraudulent credit. This has been registered on Mr A's credit file, and has meant that he has been unable to open an account with other providers.

complaint

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background

In late 2011, Mr A asked his friend to deposit £1,000 into Mr A's account for his visa application. Unknown to Mr A, the friend arranged for a third party to credit the account with £5,000. Mr A later withdrew money from his account to repay the third party via payments to his friend. Lloyds TSB closed the account when it became apparent that the money paid into the account was fraudulent. It also recorded information on Mr A's credit file, which confirmed that he had been the beneficiary of fraudulent funds.

The adjudicator did not recommend that the complaint should be upheld. She considered that Lloyds TSB had not acted unreasonably in recording an entry on Mr A's credit file which confirmed that he had been the beneficiary of fraudulent money. This record was an accurate record of what had taken place. The adjudicator was not persuaded that the money was deposited without Mr A's consent or knowledge.

The adjudicator considered that Lloyds TSB was entitled to close Mr A's account as this is a matter for its commercial judgement, and is permitted under the account terms and conditions.

Mr A is not happy to accept the adjudicator's recommendation. He says that he repaid the money to his friend and not to the third party. Mr A says that he was a beneficiary to fraud without his knowledge or consent. He trusted a friend to lend him money, and instead the friend arranged for a third party to pay in fraudulent money.

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my findings

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

Mr A asked a friend to pay £1,000 into his account. Instead his friend arranged for a third party to pay in £5,000. I consider that Mr A should have been suspicious when this happened, as it was a totally different arrangement from the one which he had agreed with his friend. Mr A says that he trusted his friend, but I consider that he should have been concerned when considerably more money than he was expecting was paid into his account, and by someone who he did not know. In the circumstances, I find that Lloyds TSB acted reasonably when it recorded the receipt of the fraudulent funds into Mr A's account on his credit file.

I am unable to find that Lloyds TSB acted unfairly or unreasonably when it closed Mr A's account. As the adjudicator has explained, it is a commercial decision for it to decide who it offers its services to. Further, the closure of the account by Lloyds TSB is permitted under the account terms and conditions.

Mr A has said that we are biased and on the side of the bank. I assure him that this is not the case. I have carefully considered what both Mr A and Lloyds TSB have said in reaching my decision.
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my final decision

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My decision is that I do not uphold this complaint.

Rosemary Lloyd
ombudsman