

complaint

Mr B complains that Lloyds Bank PLC decided to close his account whilst he was abroad.

background

Mr B received a text message from Lloyds in February 2018 that his account would be closed in 60 days and that in the meantime all transactions would be blocked. A letter with the same content was sent to him by post to his home address.

Mr B was abroad at the time and was concerned that he couldn't withdraw any money from his account. After he phoned Lloyds they lifted some restrictions and agreed to allow Mr B's wages to come into the account and for him to be able to transfer any money to existing beneficiaries.

Mr B says he had to spend hours on the phone in order to get some information and sort things out. He says being left without access to money whilst abroad was stressful and he didn't feel supported by Lloyds. He says Lloyds also shared confidential information with a journalist who had been looking into his story.

Mr B asked to be compensated for the phone costs he incurred as well as compensation for the stress and inconvenience the restrictions on his account caused him. He also wanted assurance that no information about him was recorded with CIFAS.

Our investigator didn't think his complaint should be upheld. She said Lloyds was entitled to close the account and lifted restrictions when they heard about Mr B's situation which she thought was fair. Lloyds had said there were no CIFAS markers recorded against him and she had no reason to believe otherwise. She said Mr B had agreed for the journalist to look into his case. With regards to the phone bills Lloyds offered to consider Mr B's expenses if he provided a phone bill which the investigator thought was fair.

Mr B disagreed with the investigator's opinion and asked for an ombudsman's decision, so the case was referred to me.

In the meantime Mr B has provided phone bills and asked Lloyds for £149.40 to cover his phone costs. Lloyds have reimbursed him this amount.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I've decided to not uphold Mr B's complaint for much the same reasons as the investigator. I'll explain why.

Firstly I would like to say that banks can make a commercial decision to close a customer's account and they don't have to give any reasons for it. Just as customers can decide to end their relationship with their bank.

Lloyds say they gave Mr B 60 days' notice of the closure. However, I think this is slightly misleading. I think by blocking all transactions to and from his account they essentially gave him no notice.

Lloyds are entitled to do this in certain circumstances and I think in Mr B's case it was reasonable to do this. Lloyds did a review on Mr B's account and they were concerned about the volume and pattern of disputes on his account and they were concerned about further disputes. Having looked at his statements and disputes over the past few years I think these were reasonable concerns.

I appreciate that being abroad made this situation a lot more inconvenient for Mr B than if he had been in the UK. And I can imagine how stressful it would have been to suddenly notice he couldn't use his card. However, when Mr B contacted Lloyds the next day some restrictions were lifted straight away. Mr B was informed that his wages would be allowed into the account and that he could transfer funds to beneficiaries that had been set up before. Although I appreciate that wasn't as convenient for Mr B as just using his card I think it shows that Lloyds did consider Mr B's specific circumstances and made exceptions to allow him access to his funds. They also compensated Mr B for his phone costs and looking at the bills I think they paid even a little bit more than he was charged. So I think Lloyds treated Mr B sympathetically and fairly in the circumstances.

Mr B also raised concerns about how he was spoken to during the calls. He says he was questioned about where his wages came from and that he felt he had to verify that the payment was legally his. Lloyds say they had to establish how the wages were transferred in order to make sure that they would reach Mr B's account and not be rejected. I've listened to the phone calls and the call handler was advised by the relevant department that Mr B's payment could only be accepted if it came in via Bank Giro Credit. The call handler was requested to verify this with Mr B. The call handler then asked Mr B factual questions about where the payment was coming from and by what method. I can see why these questions were asked and I can't agree with Mr B that he was grilled about the payment or treated like a criminal.

Mr B says Lloyds released confidential information about his account to a journalist without his consent. I've seen email correspondence that shows Mr B confirmed to the journalist he was happy for him to approach Lloyds and look into the matter for him. So I think he should have reasonably known that some information would be exchanged. I've also seen what information Lloyds gave to the journalist. Lloyds explained their position and why they had decided to close the account referring to the volume and pattern of disputes-just like they explained to Mr B. As far as I've seen no specific vendor details or amounts were shared as Mr B suggests. So I can't see that Lloyds have done anything wrong here.

Lloyds is entitled to share information with fraud prevention agencies or credit reference agencies and Mr B has been given details about how to check whether information is held on him. Mr B was particularly concerned that a CIFAS marker might have been recorded against him. Lloyds have confirmed that no CIFAS marker has been recorded and I have seen nothing to suggest otherwise.

However, they did confirm that Mr B's account was closed as "inconsistent-misuse of facility" and this has been shared with another fraud prevention agency (SIRA). I've explained what this means to Mr B and he queried whether this was an appropriate measure. He told me he couldn't remember a high number of disputes over the years. And he was refunded some of the dispute amounts that Lloyds now think might be false claims. He says Lloyds never queried this with him at the time.

I understand where Mr B is coming from and I've carefully thought about this. But I've seen his bank statements, a list of the disputes and everything else Lloyds have relied on during their review. And I'm satisfied the information was sufficient to share information on the SIRA database.

my final decision

For the reasons I've explained I'm not upholding Mr B's complaint and I won't ask Lloyds Bank PLC to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 14 September 2018.

Nina Walter
ombudsman