

complaint

Mr T complains that Lloyds Bank plc won't investigate or refund some transactions on his account that he says he didn't make.

background

A number of transactions were debited from Mr T's account in May 2015. A few days later he told Lloyds that he didn't make them but it has refused to investigate and refund him. Lloyds says that it hasn't been able to carry out an investigation because Mr T failed its security process. It has asked him to provide it with identification at a branch so that it could take him through the fraud claim.

The adjudicator didn't recommend that this complaint should be upheld. She said that Lloyds hadn't been able to investigate the disputed transaction because Lloyds couldn't positively identify Mr T as he wouldn't answer its security questions. It was also entitled to take the decision to close Mr T's account and had given the correct amount of notice before doing so.

Mr T disagreed. He said that he had passed the bank's security a number of times but it still refused to investigate. He feels that Lloyds should have refunded him immediately as set out in the Banking conduct of business sourcebook (BCOBS).

my findings

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

refund of transactions

Mr T is disputing a number of transactions that were made using his debit card in May 2015. He has told Lloyds that he didn't make these but it has refused to refund him. He expects the bank to do this straightaway as set out in BCOBS rule 5.1.11 because it is for Lloyds to prove that he didn't authorise the payments. But, I consider the bank is entitled to make enquiries and carry out its own investigations to check the situation. I wouldn't expect it to give any refund straight away. It needs to investigate the case to see what has happened and whether Mr T had taken appropriate care of his card.

investigation

Lloyds hasn't said it won't look into what has happened. It has simply explained that it needs to identify Mr T so that it is happy it is talking to him and not another party. Mr T is clearly unhappy to undergo Lloyds' security process on the telephone because, he says, this will only confirm whether the person calling can provide the correct answers and doesn't check that it is the correct person. I take his point. But Lloyds has suggested a number of alternatives:

- Mr T calls into one of its branches with suitable identification;
- he sets up a security number that only he knows so that he can deal with any issues by phone; or
- he provides Lloyds with all the details and as much information as possible about the transactions in a letter.

Lloyds has said that it is still willing to look into the disputed transactions if Mr T will go into a branch with relevant identification so it can be sure it is dealing with the correct person. I understand that Mr T is unhappy about them, but I don't consider it is unreasonable for Lloyds to have such security procedures in place. In my opinion, the practical way to resolve this complaint would be for Mr T to provide the identification and details Lloyds has requested so it can look into the transactions for him.

closure of the account

I also appreciate that Mr T feels aggrieved by how Lloyds has handled his requests about the disputed transactions and the subsequent behaviour of those who dealt with his complaint, both by phone and in the branch. As such, I am persuaded that the relationship between the bank and Mr T has broken down. In such circumstances, the applicable terms and conditions of the account allow Lloyds to close accounts with two months notice. The bank wrote to Mr T in July 2015 to provide him with 60 days' notice of its decision to close the account. It was now been closed. I am satisfied that Lloyds was entitled to do this.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 15 February 2016.

Karen Wharton
ombudsman