

The complaint

Mr W complains that Lloyds Bank PLC made a mistake with his email address some years ago, and it has been sending email correspondence to a third party ever since. Lloyds was adamant it hadn't wrongly shared personal information, but Mr W said he could prove it had.

What happened

Mr W said he's been a Lloyds customer for some time. In November 2022 he went into a branch to open a new savings account and make some changes to his current account. Shortly after this, he received a call from a man with a similar name, who Mr W has no association with. This third party accused Mr W of setting up accounts in the third party's name. The third party had received an email from Lloyds telling him a new account had been opened.

Mr W said the third party had been given his home address, and his bank account number, in emails from Lloyds. The third party had then worked out how to contact him from the details Lloyds had shared. Although the third party later accepted that Lloyds must have made a mistake, he initially accused Mr W of fraud. And Mr W said this third party clearly had a significant amount of information about Mr W and his banking arrangements.

Mr W said this was very traumatic for him, and he told us about a health condition which he said was made much worse by this experience.

Mr W said he contacted Lloyds, and it said it had held the wrong email address for him. It had made a small mistake in the address some years ago, in 2013. And that error meant emails intended for Mr W had been sent to the third party ever since.

Mr W said this breached data protection laws. But he said Lloyds just insisted no personal data had been shared with the third party, because it doesn't include personal data in emails. Mr W said that couldn't be true, otherwise how could the third party have worked out how to contact him? Mr W said that the payment of £150 which Lloyds had offered him when he complained to it, just didn't make up for what had gone wrong here.

Lloyds said it accepted it had held an incorrect email address for Mr W, but it said it takes data protection very seriously. And it said when this third party received an email from Lloyds, it wouldn't give them Mr W's personal information. So Lloyds thought its offer of £150 provided a fair outcome here, and it said Mr W could still accept this if he wished.

Mr W said he'd contacted the third party again, and had received redacted emails from him, which did include personal data. One included his account number, account type, customer name and customer address. Another included his sort code and account number.

Mr W sent us screenshots of these emails. He said the emails had been sent to the third party over a number of years. Mr W said he'd made a subject access request to Lloyds, so he could see just what information had been wrongly shared, but Lloyds hadn't sent him the emails it had issued, because it said again that those didn't contain any personal data.

Mr W said this was really distressing, it had left him deeply worried, and he just didn't think Lloyds had done enough to sort this out.

Our investigator thought this complaint should be upheld. She said our service isn't the expert on data protection issues, those are overseen by the Information Commissioner's Office. But she said that based on all the evidence she'd seen, there had been a very clear data protection breach in this case. Lloyds' investigation, and its conclusion that there was no personal information shared, just wasn't consistent with the evidence sent to us.

Our investigator noted the effect this appeared to have had on Mr W, and said Lloyds' offer didn't appropriately compensate him. She thought Lloyds should pay a further £200, making a total of £350 in compensation, because we now knew this wasn't simply a case of Mr W's incorrect email address being on file. His personal information had been sent out, and he'd had a very difficult conversation with a third party as a result.

Lloyds said it would pay the additional compensation. But Mr W didn't want to accept, he said that just didn't make up for what had happened, and the impact on his health. Because no agreement was reached, this case came to me for a final decision. And I then reached my provisional decision on this case.

My provisional decision

I issued a provisional decision on this complaint and explained why I did propose to uphold it. This is what I said then:

Lloyds has accepted it held the wrong email address for Mr W. It says it thinks this mistake crept in when it noted down his revised address in 2013, and it has been using the wrong email address for him since then.

Lloyds didn't accept that it had included any personal information in emails sent to Mr W over the last ten years. But Mr W has shared the emails that he received from the third party, who has been receiving email correspondence for him for some time. I've seen this evidence, and although the emails I've seen are partially redacted, it does seem to me to be beyond dispute that Mr W's personal details were shared with a third party.

Although this email evidence doesn't appear to have been obtained until after Lloyds had responded to Mr W's complaint, I can hear, on call recordings, that Lloyds was told Mr W had been given his own address, account details, and date of birth by a third party. And Lloyds also accepted on those calls that the third party who was sent Mr W's information had also contacted it, asking why he'd been sent this information.

I can also hear that Lloyds' response to this was that it had completed its investigation, its view was it hadn't issued any personal information in an email, and it would not investigate further in this case.

I think it was inappropriate for Lloyds to close its own investigation at this stage. I think it ought to have taken further steps to find out whether Mr W was telling the truth, and whether it was indeed the source of the personal information which Mr W said a third party had been sent (information that a third party also told Lloyds he'd received).

I think this complaint has caused Mr W very serious concern, over an ongoing period, and at least some of that could have been avoided if Lloyds had carried out a more thorough investigation, and then taken steps to put things right. So I think Lloyds should pay an increased amount of compensation in this case. I think Lloyds should pay Mr W £500.

I think Lloyds should, in addition, pay £25 to provide 24 months of protective registration with CIFAS for Mr W.

CIFAS is a member-based fraud prevention agency with a large database. The database records information to protect financial businesses and their customers against fraud. And when someone is concerned that their personal details may have been shared inappropriately, they can apply for a Protective Registration on that database. A registration lasts for two years, and it costs £25.

If Mr W registers in this way, that will then mean, for the next two years, additional checks on identity will be triggered whenever his details are used in an application for products or services with a provider using this database. The database is used by a very significant number of the UK's financial services providers.

This registration may involve some additional inconvenience for Mr W, not just because he'll have to register himself, but also because he'll then have to take some extra steps to prove who he is, when he's applying for credit. But he'd have the reassurance that anyone who does try to take out credit in his name is likely to face those extra checks too.

I think that offering to pay for a protective registration is one of the few things Lloyds could have done after the fact, to reduce the impact of this mistake on Mr W. I think if Lloyds had carried out a fuller investigation in this case, it was likely to have made this offer.

So, in reaching my decision on compensation, I've taken into account not only that Mr W was caused distress by the original mistake, but also that Lloyds then failed to take what I think would have been reasonable steps to reduce the impact of this on Mr W, meaning he suffered additional and avoidable distress after this complaint was made.

I currently think a total payment of £500 in compensation, and an additional payment of £25 for a CIFAS Protective Registration, would provide a fair and reasonable outcome to this complaint. I don't think Lloyds has yet made any payment in this case, but just in case it has, I'll allow Lloyds to count towards my award, any payment it has already made to Mr W for this complaint.

I invited the parties to make any final points, if they wanted, before issuing my final decision. Both sides replied.

What I've decided – and why

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

Both sides have accepted my proposed resolution. So neither side has offered any further evidence or argument, and I haven't changed my mind. I'll now make the decision I originally proposed.

My final decision

My final decision is that Lloyds Bank PLC must pay Mr W a total of £500 in compensation, plus an additional payment of £25 for a CIFAS Protective Registration. Lloyds Bank PLC may count towards that award, any payment it has already made to Mr W for this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 1 January 2024.

Esther Absalom-Gough
Ombudsman