

## The complaint

Mr and Mrs T complain that Lloyds Bank PLC altered its terms and conditions which they felt was potentially unfair to them.

## What happened

On 5 and 7 September 2022 Lloyds wrote to Mr and Mrs T advising them of changes to the terms and conditions of their various accounts with it. The summary document of those changes said:

*“We’ve added a new condition that says if it’s necessary, due to economic circumstances that effect the banking industry, we may restrict the amount that you have in your accounts either by imposing a limit or by imposing a charge. If we have to do this and it applies to your account, we’ll write to you with more information.”*

Mr T contacted Lloyds to advise it that the new term was unacceptable seeming to say that Lloyds could if it wished, steal money from any of their accounts.

Lloyds said:

- The introduction of the condition does not in itself impose any limit and/or charge.
- It has no current plans to restrict the amount of money Mr and Mrs T can hold in their accounts.
- It would only consider doing this in the most extreme of economic circumstances, and it thinks those circumstances are very unlikely in the current economic climate.
- In the very unlikely event that it would need to impose any limits and/or charges it would notify those existing customers who it thinks might be affected in writing at least two months before any changes were introduced.
- Other providers have added similar conditions to their current account and savings terms and conditions in recent years.

On referral to the Financial Ombudsman Service our Adjudicator said that she thought Lloyds had acted fairly in updating its terms and conditions and in giving notice to Mr and Mrs T.

Mr and Mrs T were still unhappy. Mr T pointed , pointing out that even if Lloyds gave him notice of imposing a charge or limiting his account it would still be taking money without consent which he questioned the legality of.

The matter has been passed to me for further consideration.

## **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.

The Financial Ombudsman Service is an alternative dispute resolution service. Our function is to try to resolve individual complaints informally between the parties. It is not the regulator and I have no power to decide matters of policy or principle.

I have therefore limited my decision to consider whether Lloyds gave Mr and Mrs T adequate notice of the change in terms and conditions, whether in Mr and Mrs T's particular circumstances it acted fairly and whether they had the option to move their accounts if they didn't want to accept the new terms.

Lloyds notified Mrs T via her digital inbox on 5 September and Mr T the same way on 7 September 2022, of the changes in terms and conditions. The changes went live on 1 November and Mr and Mrs T were at liberty to move their accounts before then should they have wished to do so. I think they were given reasonable notice.

Banks are free to change their terms and conditions. There are various protections and regulations in place concerning how they impose charges. I can't consider hypothetical situations that may arise in the future. But I note that Lloyds has advised that it has no present intention of limiting Mr and Mrs T's accounts and it thinks it is unlikely to do so. The changes affect all customers with savings or current accounts so Mr and Mrs T haven't been singled out.

Overall I think Lloyds acted fairly. I'm sorry that I can't give Mr and Mrs T any further reassurance, but if they're not happy with Lloyds they are free to choose who they bank with.

## **My final decision**

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs T to accept or reject my decision before 21 August 2023.

Ray Lawley  
**Ombudsman**