

The complaint

Mr S as one of the joint account holders complains that Lloyds Bank PLC allowed the other joint account holder (his son) to withdraw money from their account.

What happened

Mr S says he added his son whom I will call Mr S1 to his account as a joint account holder. He says his son has learning difficulties and is vulnerable. Mr S says he reported his son as being missing on 15 November 2022 and says he was told by the Police that he tried to withdraw money from the joint account. He says he asked Lloyds to block the account and was told by it that it had been blocked. Mr S says on 15 November 2022 he tried to transfer money from the account but could not do so but later that day discovered his son had managed to withdraw £9,000. He would like the money refunded and compensation for what took place and questions why he couldn't withdraw the money, but his son could.

Lloyds says it did have concerns about Mr S's son and called the Police to its branch. It says the Police said the withdrawal could take place and so authorised it. Lloyds accepts it gave Mr S incorrect information about the account being blocked but says if it had given correct information then it unlikely Mr S would have agreed to the whole account being blocked as regular payments would have stopped. Lloyds has offered £100 compensation for the incorrect information.

Mr S brought the complaint to us, and our investigator didn't uphold it. The investigator thought this was a joint account and both account holders entitled to withdraw money. The investigator thought the compensation offer appropriate and thought Lloyds had correctly carried out further checks on the withdrawal by calling the Police.

Mr S doesn't accept that view.

I asked both sides for further information. Lloyds says it did have concerns about Mr S's son but took advice from the Police and its fraud department.

My provisional decision

I issued a provisional decision on this complaint and said that I intended to uphold it and came to the initial view that Lloyds did not deal appropriately with the events of November 2022.

I looked carefully at Lloyds records to establish what it knew about Mr S's son before 15 November 2022. I could see that on 14 November 2022 Mr S1 attended a Lloyds branch and tried to withdraw £10,000. That attempt was unsuccessful, and I saw that Lloyds invoked its "protocol" and that the Police were called. I was satisfied that it was clear to Lloyds on 14 November 2022 that there were significant concerns about Mr S1 that resulted in what I thought was the relatively unusual step of calling the Police.

I could also see from Lloyds records that on 14 November Mr S called it about his son and told it he was missing, vulnerable and that the account should be blocked. I said there was

no dispute here that Lloyds told Mr S that the account would be blocked, which is what I thought Mr S clearly wanted and what Lloyds ought to have done in those circumstances.

Mr S1 attended a Lloyds branch on 15 November 2022 and accepted he had lied about the attempt to withdraw money on 14 November 2022, the day before. I said there can be no doubt Lloyds had sufficient concerns about Mr S1 that it called both the Police and its fraud department. I could see that Lloyds recorded that "Mr S1 is vulnerable and fallen in with the wrong crowd" but the Police had no concerns about his safety and so the withdrawal for £9,000 was authorised. I appreciated Lloyds said there is no point calling the Police if it ignores its advice. But I was satisfied that Lloyds owes a duty of care in these circumstances and it is the expert on these matters not the Police. I thought the Police role is to establish if there is a possible criminal offence, but Lloyds has a far wider duty.

I was satisfied that Lloyds ought to have had sufficient concerns about the events of 14 November 2022 and ought to have blocked the account as it told Mr S it would. I thought the events of 15 November 2022 ought to have reinforced those concerns that Mr S1 was vulnerable and possibly being taken advantage of.

I appreciated that Lloyds said it did give Mr S incorrect information about blocking the account but that it unlikely he would have agreed to that, as scheduled payments were due out of the account. But I disagreed and was satisfied Mr S did agree to the account being blocked on 14 November 2022 and that he only disagreed with that course of action when the money had been withdrawn when it was too late. I also thought it likely that Mr S retained concerns about the account even after he was told it had been blocked and that he tried to unsuccessfully transfer money to protect the account but was unable to do so. So, I was satisfied that Lloyds acted unfairly by doing so and approved a withdrawal from someone it had real concerns about but refused Mr S's request to transfer money to try and avoid what did take place.

I had no doubt Mr S was caused distress and inconvenience in calling Lloyds about what took place and in attending its branch. I didn't think a joint account was suitable for Mr S in these circumstances but also thought Lloyds could have advised him about that when it became aware of the concerns on 14 November 2022. I was satisfied that Mr S had lost a significant amount of money and would have been caused a significant level of distress.

I accepted the account was joint and so each party was entitled in normal circumstances to withdraw what they wished. I also accepted that one joint account holder has had the initial benefit of the £9,000. But my provisional view was that Lloyds ought to have had sufficient concerns about Mr S1 when he attended a branch on 15 November 2022 and blocked the withdrawal. In any event I made clear that it ought to have blocked the account as it said it would on 14 November 2022. So, my provisional view was that Lloyds should refund the account with the £9,000. I said that no doubt Mr S will also consider if a joint account is suitable in the circumstances. I didn't think additional compensation was required as Lloyds had paid or offered £100 and that the main part of the complaint is about the return of the £9,000.

I hoped both sides would provide further information about the missing £9,000. I could see there was a possibility that the money was handed over to other persons. I had not seen any evidence that Mr S1 benefited from the money and thought it likely, as I made clear, that he was the victim of his own vulnerability.

Mr S accepts my view and says his son handed the money over to a group of males.

Lloyds also agrees with my provisional view and sensibly suggests Mr S reviews the appropriateness of a joint account. It also suggests the money be paid into one of Mr S's own accounts rather than a joint account or an account he holds elsewhere

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.

Having done so I have come to the same overall view that I reached in my provisional decision and for the same reasons.

I hope Mr S agrees that the compensation be paid into single account and that he reviews his decision to have a joint account in these circumstances.

Putting things right

Lloyds should pay Mr S the compensation it's agreed to do.

My final decision

My final decision is that I uphold this complaint and order Lloyds Bank PLC to pay Mr S £9,000 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mr S to accept or reject my decision before 2 August 2023.

David Singh
Ombudsman