

## **The complaint**

Mr C complains that Lloyds Bank PLC misled him about an account fee which meant his account became overdrawn.

## **What happened**

Mr C says he opened a Lloyds account and the next day received a text message telling him the account was overdrawn. He says he was concerned the account had been compromised. Mr C says he spoke to Lloyds as he was unable to use internet banking and was told there was a mistake but was later told there was no mistake. He would like compensation for the distress and anxiety he was caused.

Lloyds says Mr C opened the account on 1 February 2023 which had a £10 a month fee. It says it correctly charged £0.34 on 2 February 2023 which is a fee in line with agreed account terms and conditions. Lloyds says there was no overdraft charge and sent Mr C the text message on 2 February 2023.

Mr C brought his complaint to us, and our investigator didn't uphold it. The investigator thought Lloyds made clear in the account terms and conditions that it would charge for the account and that a charge would be taken when a service was provided. The investigator also thought Lloyds had told Mr C there wasn't any transactions out of his account, but it would investigate.

Mr C doesn't accept that view and in summary says Lloyds has breached Financial Conduct Authority (FCA) rules and questions the accuracy of Lloyds systems.

## **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 overall view that I don't uphold this complaint in that I don't consider that Lloyds should pay Mr C compensation for what took place. But I accept it ought to have been able to tell him why his account was overdrawn.

I'm satisfied that Mr C opened this account and would have agreed to the account terms and conditions. I can see that there is a charge for the account Mr C opened and that Lloyds says it will take most charges when it provides the service. So, I don't think Lloyds made a mistake or acted unfairly by making a charge, but I don't think Lloyds has explained why it was for £0.34 or why it made the charge before Mr C could fund the account.

We are not Lloyds regulator and it's not our role to tell it how it operates its accounts. I make that clear as Mr C says Lloyds has breached FCA rules and regulations. It is not our role to decide if, for example, there is an error in Lloyds systems as Mr C suggests.

I have listened to the telephone call between the parties on 2 February 2023. I accept Lloyds was unable to tell Mr C why his account entered into an unarranged overdraft. I appreciate

why Mr C says Lloyds ought to have been able to tell him the answer to that question. But I'm satisfied that Lloyds did tell Mr C there were no transactions out of his account which was his concern about potential fraud. And that Lloyds fairly said it would investigate matters further. I accept Lloyds told Mr C it may have been an error which was later clarified not to have been an error.

I'm satisfied that Lloyds made clear to Mr C some days later what the charge was for and that it hadn't made a mistake by charging it.

The key issue here is that Mr C says he should be paid compensation for what took place. I don't think compensation is justified here for the reasons I will explain. I'm satisfied that Lloyds was entitled to make a charge but ought to have explained to Mr C what it was for when he called it. I find the amount in any event was relatively small and that Mr C didn't suffer any financial loss. And the important point here is that Lloyds explained to Mr C that there weren't any payments out of his account which no doubt would have been his concern. I'm also satisfied that Lloyds clarified the position within a short time period some four days later.

I appreciate Mr C's questions about possible FCA regulation breaches but those are not matters this decision can address for the reasons I have explained. I find this now brings an end to what we in trying to resolve this complaint informally can do.

### **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 C to accept or reject my decision before 27 November 2023.

David Singh  
**Ombudsman**