

## The complaint

Mr A complains Lloyds Bank PLC refused to allow him to do a money transfer from his credit card to his current account. He's also unhappy at the customer service received since.

## What happened

In December 2022 Mr A went into a branch of Lloyds to do a money transfer from his credit card to his current account, to pay his rent. Mr A says he was told they couldn't help him at the branch counter, so pointed him to a phone – he made a call to do the transfer but was refused. He says he was told by the branch staff the reason this kind of transaction is often refused is due to risk, which he was unhappy with. So, he tried to close his accounts, and make a complaint. He said this resulted in three attempts, none of which went well as he felt matters weren't investigated properly.

Mr A says the branch manager closed his accounts for him (although this didn't work), waiving a balance of 12p, and offered to submit the complaint. Mr A wanted a copy of the complaint, but says he was refused. He was later contacted by customer services, and he found the complaint registered was completely wrong. Mr A later found out his accounts weren't closed as he expected, and in order to know what had actually been registered as a complaint, he had to do a Data Subject Access Request (DSAR). Mr A says this fraudulent and criminal behaviour needs to be investigated.

Lloyds issued two responses – the second one superseded the first, so I've focused on that. They agreed with Mr A regarding:

- Concerns about how his complaint was originally handled – the complaint handler got some information wrong about being told he had to visit the branch with photographic identification
- Being given an incorrect reference for his complaint – a complaint reference is pre-populated, but if all details aren't submitted then it won't be logged. The complaint wasn't logged, so Mr A was given the pre-populated details for a complaint which never ended up being registered
- Being told he was a risk when trying to do a money transfer – this wasn't correct information

Lloyds said a money transfer on a credit card isn't a permanent facility and is subject to offers being available. Lloyds said no offers were available at the time of Mr A's request. Lloyds said they could have explained this better to him but didn't do anything wrong in turning him down for the transfer. In relation to the interest incurred on a closed account, they said interest is charged one month in arrears, and they could see Mr A was making purchases up to the point the account was to be closed. Mr A made a payment on 6 December 2022 which stopped further interest accruing, but by that time 97p had been incurred due to interest being charged one month in arrears. Lloyds said a credit of £18 then put the account into credit – and said this amount had been refunded to Mr A and the account was now closed.

In relation to the complaints process, Lloyds said it was resolved quickly but they were satisfied it'd been investigated properly. And the branch manager read Mr A's complaint to him because their systems have business sensitive information on their computers – which is why she wouldn't let him read it off the screen. Overall, Lloyds offered Mr A £200 compensation for this in their response on 3 February 2023. Mr A told us in May 2023 the cheque bounced.

Mr A raised a number of concerns regarding the details contained in Lloyds' reply – and ultimately asked us to look into things.

One of our Investigators did so, and overall felt Lloyds had made some errors, but the £200 compensation was sufficient to put matters right.

### **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.

I think it's important to firstly explain I've read and taken into account all of the information provided by both parties, in reaching my decision. I say this as I'm aware I've summarised Mr A's complaint in considerably less detail than he has. If I've not reflected something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless I think it's relevant to the crux of the complaint.

#### *Rejection of the money transfer*

Mr A tried to make this transfer over the phone and was turned down. He wasn't though told the reason, and says he'd have to have been transferred to someone else. He spoke to the branch, who suggested it may be because of the risk he posed as a result of his credit score going down.

Lloyds have accepted they made an error here and said actually the reason he was turned down is because he didn't have an offer on his account to allow him to do the transfer.

Mr A says though the terms and conditions of money transfers say they'll tell him if any offers expire. So, going through all of the reasons he thinks a money transfer could be turned down, he doesn't think any of them apply.

I have carefully thought about this point of Mr A's, but I'll only be partially upholding it.

Lloyds have said Mr A didn't have any offers on his account when they've looked into things. To prove that they've provided a screenshot which says "*id+v ok advised ch no mt offer available*". Lloyds have said the call where this was discussed isn't available – so I can't listen to that. I wouldn't say a note by someone saying a money transfer isn't available is definitive proof of none being available. But, I can see it is a note recorded at the time, and Lloyds have told our service this was when Mr A reached the money transfer team – which given that was the purpose of his call, seems to match up. So, on balance, I think it's unlikely the team who deal with money transfers wouldn't have realised a money transfer was available. So, I think Lloyds have more likely than not correctly turned down Mr A's request.

But, I don't think the communication has been satisfactory. Lloyds didn't explain things on the phone, gave one explanation in branch, and then have given a third when investigating

the complaint. In addition, I think Mr A has a point, where he says they were supposed to have told him if a money offer wasn't available anymore – as it appears one wasn't available, but Lloyds haven't at any point said they told him this when they should have.

I'll consider this at the end in the 'putting things right' section.

#### *Account closure*

Mr A's concerns here are valid. He says he asked the branch manager to close his accounts, and it seems to have been accepted they said they would. The problem was further interest was due on Mr A's credit card account – so it seems a proper explanation wasn't provided about what happens when a credit card account is closed – specifically that interest may still be due and won't be calculated until the next statement date.

This figure became 97p. I can see Lloyds said they wrote it off, Mr A says he went into branch to pay it off himself. And, it's at this time he became aware of the £18 refund. He's told us this was refunded to him by cheque.

So, it seems the only remaining issue here is, once again, the communication. I think Lloyds have ultimately given the right information. A credit card balance would accrue interest which is only usually calculated at the next statement date – but this information seemingly wasn't passed to Mr A leading to delays in his accounts being closed as he'd asked. Again, I'll consider this at the end of this decision.

#### *Registering the complaint*

I've noted Mr A's concerns regarding registering the complaint – which includes the branch manager saying the new employee gave him the incorrect form to register a complaint. This was the first issue, the second was the branch manager giving him a complaint reference which ultimately turned out not to exist, and further issues regarding the accuracy and detail contained in the complaints submitted and responses received.

I'm aware Mr A has concerns over his version of events being properly understood – as our Investigator said the new employee also didn't register the complaint properly and gave the incorrect reference. He says he's concerned this may have led to the dismissal of the new employee as they no longer work at the branch.

I wanted to put Mr A's mind at rest, as I do think that's extremely unlikely. The new employee could have left for multiple reasons, but crucially I would say Mr A has made the allegations clear to Lloyds as it being that it was the new employee who tried to complete his complaint on a complaint form, but the branch manager who then gave an incorrect complaint reference and didn't submit the complaint properly on the system.

Turning now to when the complaint was first addressed by a Lloyds complaint handler, they got some of the facts wrong, and this caused additional distress to Mr A regarding the whole situation.

Ultimately, once again, I find Lloyds have communicated poorly with Mr A which has added to his distress over the initial events.

#### *DSAR*

Mr A says this was processed within 30 days, but not all data was provided.

I think it's important to set out the scope of what I can and can't consider. I can consider whether Lloyds carried out the DSAR process in a way designed not to cause any distress – so did they communicate properly, provide it in line with the timescales. But what I can't do is decide whether the DSAR included all of the information it should.

From what I can see, I think Lloyds have communicated appropriately with Mr A regarding the DSAR. I've noted they've asked for more information, and for him to fill in a form which he says he's not legally required to do so. He might be right, but equally from what I can see the request for more information and form was to allow them to track down all of his contacts with them. So, I don't think this seems particularly unreasonable or unfair.

I have noted Mr A said Lloyds didn't provide everything. In part, I think Mr A is referring to a complaint reference which he was given incorrectly by the branch manager – saying he's had no details about this. Lloyds have explained that's because this complaint was never properly registered, so there is no data to give. This seems like a reasonable explanation. I would have said Mr A can raise his concerns to the Information Commissioner's Office, but I can see he's already aware of them.

### **Putting things right**

As I've noted above, I've partially upheld:

- Poor communication about why the money transfer failed
- Poor communication about what happens when closing a credit card account with a balance that may attract interest
- Poor communication again regarding all things to do with the complaints process

Mr A says Lloyds' actions are fraudulent and criminal. I'm not able to decide whether Lloyds' actions were criminal, only a court of law can do that. But I've seen nothing to suggest they were fraudulent. Ultimately, I think Mr A has unfortunately been victim to a series of errors and poor communication. I've seen nothing else in all of the extensive evidence he's provided to suggest otherwise.

In considering all of this, I have overall come to the same conclusion as our Investigator, that £200 compensation is a fair way to put this right. I've noted Lloyds sent Mr A a cheque, which he says has bounced. So, I'll direct Lloyds to pay Mr A £200 compensation if they haven't already. Lloyds would I expect want to make sure the cheque they previously sent hasn't been cashed which isn't unreasonable.

### **My final decision**

Lloyds Bank PLC have already made an offer to pay Mr A £200 to settle the complaint and I think this offer is fair in all the circumstances.

So, my decision is that Lloyds Bank PLC should pay Mr A £200 if they haven't already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 14 November 2023.

Jon Pearce  
**Ombudsman**