

## **The complaint**

Miss K is unhappy that Lloyds Bank PLC trading as Lloyds Bank (Lloyds) debited the wrong account when she requested a cash withdrawal. This caused her current account to go overdrawn.

## **What happened**

Miss K went into a branch of Lloyds to withdraw £1,000 in December 2022. She asked for this cash withdrawal to be debited from her saving account, but the money was instead withdrawn from her current account. This caused the current account to go overdrawn. Miss K appears to have realised this two days later and transferred £1,000 from her savings account to her current account.

In June 2023, Miss K contacted our service to complain. As Lloyds hadn't been made aware of the complaint previously, we let Lloyds know and explained it now needed to provide a response to Miss K. On 10 July 2023, Lloyds issued its final response. In this it accepted a human error had occurred when the funds were debited from the wrong account. It said it could see Miss K had rectified the situation with her transfer two days later. Lloyds apologised and paid Miss K £30 for any distress and inconvenience caused.

Unhappy with Lloyds' response, Miss K asked our service to consider the matter further. She said she was still being charged interest on the overdraft. One of our investigators considered the complaint and said that because of Lloyds' error in debiting the current account, Miss K had been charged a total of £1.18 in interest. The investigator said the £30 Lloyds had paid covered the interest charge and was fair and reasonable for the distress and inconvenience caused.

Miss K didn't agree and wanted the case escalated. Therefore, the case has been passed to me to decide.

## **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.

Miss K appears to believe here that as a result of the £1,000 being debited from her current account, and then her transferring £1,000, she is down by more than the £1,000 she initially requested. Having looked at the statements I'd like to reassure Miss K that this isn't the case.

It isn't disputed here that Lloyds took the £1,000 cash withdrawal from the wrong account. But Miss K did receive £1,000 in cash at that time and obviously her balance should've also reduced by that amount.

Miss K's saving account balance prior to her withdrawal request was £4,001.90. The current account balance at the same time was £449.45. Therefore, had Lloyds debited the saving account instead of the current account her balance would've been £3,001.90 and the current account would've remained unchanged at £449.45.

However, due to human error this didn't happen and unfortunately it was her current account that was debited and placed in an overdrawn position. I'm pleased to see Miss K realised the error and transferred £1,000 from her saving to the current account. As a result, her savings balance was correctly then being reflected as £3,001.90. This is exactly what it would've been had the savings account been correctly debited instead of the current account two days previously.

After the transfer, Miss K's current account balance went back up by a £1,000 and back into credit. So, this money hasn't been lost and Miss K is down by just the £1,000 she always wanted and received in cash.

Lloyds has provided evidence to show that because of its error in debiting the current account Miss K was charged £1.18 in interest. I appreciate this situation caused Miss K a degree of distress and inconvenience and it no doubt would've been a shock to find out her current account was overdrawn. But by making the transfer two days later, I'm satisfied Miss K was then in the position she should've always been in had the error not been made.

Given this, I'm satisfied the total of £30 Lloyds has paid Miss K covers the interest charges applied and is fair and reasonable for the distress and inconvenience that was caused by the error.

### **My final decision**

Lloyds Bank PLC trading as Lloyds Bank has already made an offer to pay £30 to settle the complaint and I think this offer is fair in all the circumstances.

So, my decision is that Lloyds Bank PLC trading as Lloyds Bank should pay £30 to Miss K, if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 22 November 2023.

Paul Blower  
**Ombudsman**