

The complaint

Mr S complains that Lloyds Bank PLC closed his accounts but wouldn't provide a reasonable way for him to withdraw his account balance. He wants Lloyds to send the funds to his alternative account or by cheque.

What happened

In February 2020 Lloyds told Mr S it was blocking his transactions and closing his accounts in two months' time. Lloyds said Mr S would need to withdraw his balance of £1,500 at the branch, with proof of his identity and the origin of the funds. Lloyds then closed the account.

Mr S said he'd been abroad since October 2019 and had no plans to return to the UK, but Lloyds won't allow him to obtain funds by other means. He said it wasn't economic to travel just to obtain the funds. He said other banks have workable arrangements for withdrawal of funds from closed accounts, such as by cheque, internet banking, or use of a debit card.

Mr S said it had been vital to access his money during the covid pandemic and a subsequent serious illness. He said Lloyds told him that the funds are only available when he can collect them personally. Mr S complained to Lloyds that it won't be flexible and sort things out.

In its response to Mr S's complaint Lloyds said it gave him the correct amount of time under the agreement to withdraw his funds and this would need to be at one of its branches.

Mr S was dissatisfied with this response and referred his complaint to our service. Our investigator didn't recommend that the complaint be upheld. He said Lloyds provided the notice period required and Mr S should attend a branch, as requested, to obtain his funds.

Mr S wasn't happy with the outcome and requested an ombudsman review his complaint. He said he was already abroad when told him of the account closure. He said he was happy to provide his ID remotely and that the funds *'are clean and the bank confirmed to me as well'*.

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.

Lloyds can decide who it wants to deal with as a customer, but must follow the process set out within the account's terms and conditions. The terms and conditions for Mr S's account allows the bank to close the account and I have seen that Lloyds gave Mr S the required period of notice.

Mr S now lives abroad and so it is difficult for him to deal with his account as required by Lloyds. Lloyds has explained to us that it needs Mr S to come to a branch to withdraw his funds so that it can verify his identity and to prove where the money came from.

It's clear that Lloyds wants to know about the origin of the funds and to ensure it goes to the rightful owner. From what I've seen Lloyds has followed the correct process in the closure of Mr S's account and I think its requirement about the release of his funds is reasonable.

Although I understand Mr S's frustration, from what I've seen, Lloyds has treated him fairly and reasonably, and in accordance with the terms and conditions of the account, and so I can't ask Lloyds to take any further action.

My final decision

For the reasons I have given above it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 31 August 2023.

Andrew Fraser
Ombudsman