

## **The complaint**

Mr H is complaining about the timing of a mobile app notification he received from Lloyds Bank PLC.

## **What happened**

Mr H has a current account with Lloyds. He's told us that he doesn't keep funds in his account due to security concerns. He has been relying on the notifications from Lloyds' mobile banking app to let him know when a direct debit is leaving his account, so he can then pay funds into the account to make sure it's covered. He says he can't rely on text messages because his mobile phone can't store many texts, so he often doesn't receive them.

Just after 1am on 20 September 2022 a direct debit payment left Mr H's account. At around 8.30am Lloyds sent Mr H a text message to let him know that he'd entered an unarranged overdraft and needed to pay in cleared funds by 2.30pm that day. Mr H didn't pay any money into his account. So the direct debit was returned unpaid at around 2.50pm.

At 11.57pm Mr H received notification from the app that the direct debit payment had left his account. But by this time, it had already been returned unpaid - so he was unable to pay in cleared funds to prevent this.

Mr H complained to Lloyds that the app notification had arrived too late for him to pay in cleared funds. Lloyds responded to say they'd sent a text message letting Mr H know that he needed to pay in cleared funds by 2.30pm, so they thought he'd had enough time to pay funds into his account.

Mr H brought his complaint to us and our investigator looked into it. He didn't think Lloyds had done anything wrong. He said, in summary, that how Lloyds operates their app is a business decision and not something we could generally interfere with. And he thought it was Mr H's responsibility to manage his account to ensure there were sufficient funds to pay the direct debit. He thought Lloyds had done enough to let Mr H know he'd need to pay in cleared funds by 2.30pm to prevent the direct debit being returned unpaid.

Mr H disagreed. He replied to say, in summary, that he'd like the app notifications to be sent as soon as the direct debit leaves his account, so he can pay in funds immediately – and there's no point in them being sent after the cut off time to pay in cleared funds. He said he uses another bank which does offer this service. He's also told us that recently, he's stopped receiving any notifications at all from the app about his direct debits.

Mr H's complaint has now been passed to me for review and a decision.

## **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'm not upholding Mr H's complaint. I'll explain why.

Lloyds have sent us their guidance relating to push notifications on the mobile app, which explains that notifications will either be instant, or sent at certain times. In relation to direct debit notifications, it says the following:

*"If a direct debit leaves the account overnight, the notification will be delivered during the day."*

In this case, Mr H received the app notification later in the same day after the direct debit left his account in the early hours. So this is in line with how Lloyds' app operates.

Lloyds have chosen not to send immediate app notifications when a direct debit payment leaves the account. This is a business decision about how their mobile app operates, and as the investigator's explained, they're entitled to use their commercial judgment to make these sorts of decisions.

I do understand why it would have been frustrating for Mr H to have received the app notification of the direct debt leaving his account too late to pay in funds to cover it. I can see how it would be more convenient for him to receive the app notifications earlier, given that he's told us manages his account using them, rather than text messages. But this doesn't mean that Lloyds have done anything wrong here. I can't see that they've ever told Mr H that the direct debit app notifications would be instant. The way they run their app notifications just doesn't work with how Mr H chooses to manage his account.

Mr H has told us he's now not receiving any app notifications for direct debit payments. Lloyds haven't told us they've withdrawn this service, so there may be another reason for this relating to Mr H's settings or handset. But ultimately this is something he'll need to continue to explore with Lloyds directly.

Overall, I don't think Lloyds have made a mistake here or have treated Mr H unfairly. So, I'm not going to ask them to do anything else.

### **My final decision**

My final decision is that I'm not upholding Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 4 August 2023.

Helen Sutcliffe  
**Ombudsman**