

The complaint

Mr W has complained that Lloyds Bank Plc ("Lloyds") assured him that a payment to a car dealership would be sent via faster payments. But when Mr W travelled to the car dealership with a friend and made the payment, it was not sent as a faster payment. This resulted in him being unable to collect the car he'd purchased.

What happened

Lloyds considered the complaint and initially didn't find in Mr W's favour, although it did pay Mr W £25 to apologise for the service he'd received.

After Mr W responded to Lloyds with further information, Lloyds reconsidered the complaint and agreed to uphold the complaint. Lloyds paid Mr W £500 for the distress and inconvenience caused and also £135 to cover his travel costs.

After looking into matter further, Lloyds was able to determine the reason why the payment was delayed and showed as pending in the car dealership's account. This was because, although the payment was sent as a 'Faster Payment' as requested, Lloyds' systems automatically changed the payment to being processed as a counter deposit. This had the effect of showing the transaction as pending in the recipients account until the following day.

One of our investigators assessed the complaint and they concluded that what Lloyds had already paid Mr W to put things right was reasonable.

Mr W disagreed so the matter was referred for an ombudsman's 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 reviewed everything, overall whilst I can see things didn't go as they should've, I also think that the compensation that Lloyds has already paid Mr W is fair and reasonable – largely for the same reasons that the investigator gave. As such, I don't uphold this complaint.

From everything I have seen it's clear that Mr W did everything he could to ensure the payment to the car dealership was made on the same day he had arranged to collect the car. Given the circumstances, I can certainly see why Mr W was really frustrated when the payment didn't go through as he'd been assured it would. And I can also appreciate the predicament he was in, given how far he lived from the car dealership, that he'd borrowed his friend's car to get to the car dealership and also that he'd already paid for costs towards the car whilst he was waiting for the payment to go through - which would've made backing out of the purchase even more complicated.

I note that Mr W was given assurances at the time that the payment would be made on the same day. And it was only after Mr W had contacted the car dealership and Lloyds a number of times, did it become apparent that Lloyds' systems had automatically changed the payment from being processed as a faster payment to being processed as a counter deposit. This had the unfortunate effect of only showing the transaction as pending, rather than showing as received, in the car dealership's account on the day of the transaction.

Lloyds has already paid Mr W £25 for the service he received, £500 for the distress and inconvenience this matter caused, and also £135 for his travel costs. But Mr W says that the compensation Lloyds paid him is not enough.

Specifically, Mr W says the trauma he experienced when buying the car resulted in him no longer wanting it, which resulted in him selling the car a short while later, at less than what he'd paid for the car. Mr W also says that the amount paid to him by Lloyds doesn't reflect the fact he was without a car for a week and also that he was already out of work at the time due to stress.

I don't think it is reasonable that Lloyds should pay Mr W the difference between what he paid for the car and what he received, when he sold it a short while later. I say this because I can only hold Lloyds responsible for any loss that is reasonably foreseeable because of the delay in the payment being made. But in the circumstances, I can't say that Mr W's decision to sell the car (because it reminded him of the trauma of buying it) is a reasonably foreseeable consequence of the payment he made when buying the car being delayed.

In response to the investigator's assessment, Mr W said that he was without a car for a week. And he says he was unable to work due to him previously suffering from stress, and this matter set him back - so says that the amount of compensation paid to him should be higher.

Matters of compensation can be subjective, and I'm fully aware that Mr W feels that a higher award of compensation is merited here. But the £500 that Lloyds has already paid does feel fair to me, in consideration of all the circumstances of this complaint and taking into account everything that Mr W has said.

I do think that the amount Lloyds paid Mr W is broadly in line with what I may have instructed Lloyds to pay to Mr W, had it not already offered to do so. Because of this, I don't think that Lloyds Bank PLC needs to do anything more, to put matters right, in relation to this matter.

My final decision

Because of the reasons given above, I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 13 December 2023.

Thomas White
Ombudsman