

The complaint

Miss B complains about the service she received from Lloyds Bank PLC.

What happened

Miss B has raised several issues within this complaint. These are summarised as follows:

- A compensation payment due from a previous complaint hadn't been paid.
- Miss B experienced difficulties getting through to Lloyds on the phone to raise this issue and was left on hold for long periods.
- Miss B found out the compensation payment had been paid to an account she wasn't expecting it to be paid to.
- Lloyds transferred the compensation payment to another account without Miss B's authority.

Unhappy with the overall service received, Miss B complaint to Lloyds.

Lloyds acknowledged that being kept on hold for a long period was frustrating for Miss B and it apologised. But it didn't agree with the other issues she had raised. Unhappy with the response, Miss B referred her complaint to this service.

One of our investigators considered the complaint, but she didn't uphold it. As Miss B didn't accept this outcome, the complaint was passed to me, and I issued a provisional decision.

Miss B has since raised other issues experienced with Lloyds, so for clarity this decision relates solely to the complaint points raised above which were addressed in Lloyds' final response letter of 17 June 2023.

What I said in my provisional decision dated 7 November 2023

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I understand that Lloyds has since closed Miss B's accounts. Miss B hasn't complained about this, so I make no finding on Lloyds' decision to close Miss B's accounts.

Compensation payment paid to the wrong account

I can understand Miss B's frustration that the compensation she was awarded in respect of a previous complaint was paid to a different account than what she expected. And it was transferred to another account she held with Lloyds before being transferred to the account of her choice. Lloyds has acknowledged that this shouldn't have happened. But I haven't seen anything that would make me think Miss B was unduly inconvenienced by this. The compensation was paid around the timescales provided and was ultimately transferred when she asked it to be transferred.

Security questions

I'm satisfied that Lloyds didn't do anything wrong by initiating its caller verification process when Miss B contacted it by phone. Banks are required to have such procedures in place. However, while the investigator said that Lloyds hadn't treated Miss B unfairly, I disagree.

Lloyds told our investigator that Miss B had never informed it that she doesn't like to provide her date of birth as identification. But I've seen that Miss B has raised the issue about being asked an alternative question before – in a previous complaint referred to Lloyds and this service. So, I'm satisfied that Lloyds was aware that it needed to ask Miss B an alternative question and - given the previous circumstances, I find it should have done so. As this didn't happen, I'm persuaded Miss B was caused distress and inconvenience. I'll refer to this again below.

Extended time calls placed on hold

Lloyds has acknowledged that Miss B was kept on hold for extended periods of time when she called. I've listened to the calls relevant to this complaint, and while I understand that the call handlers were referring aspects of Miss B's calls to senior colleagues, I find that the calls could've have been handled better than they were – for example, explaining more clearly what was happening and an apology for keeping Miss B waiting would have been appropriate. Overall, I'm persuaded that the time Miss B was kept waiting caused her inconvenience.

Putting things right

Overall, I'm persuaded that Lloyds could've handled Miss B's calls better than it did. As a result, for the reasons given, I think it would be fair and reasonable for Lloyds to pay Miss B £100 compensation for the frustration and inconvenience caused in full and final settlement of this complaint.

Responses to my provision decision

Lloyds accepted the provision decision.

Miss B said that she had been inconvenienced when Lloyds paid the compensation money into the incorrect account and that she had the embarrassment of having to borrow money that she is still in the process of paying back. Miss B also said that she thought she had complained about the account closure.

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 see no reason to depart from my findings in the provisional decision.

Miss B says she thought she had complained about the account closure as part of this complaint. But I haven't seen anything to make me think she did. At the time Miss B had the telephone call with Lloyds, her accounts were still open. So, I don't think she had any reason to complain about the account closure at that point. And Lloyd's final reason letter – which sets out the complaint it responded to doesn't suggest that the account closure was a complaint point that Miss B had raised at that time.

I've thought about what Miss B has said regarding the inconvenience caused when Lloyds paid the compensation payment she was awarded as a result of a previous complaint to a different account than she expected. But I've not seen anything to suggest that Miss B asked Lloyds to pay the compensation in a specific account. As the payment went to a valid account in Miss B's name, I don't find Lloyds did anything wrong in this respect.

But, as explained in my provisional decision, I've found that Lloyds could have handled Miss B's telephone call better than it did. She was kept on hold for an extended period of time without any real explanation. And I'm also satisfied that Lloyds was aware that it needed to ask Miss B an alternative security question when she called.

As a result, for the reasons given, I'm satisfied it would be fair and reasonable for Lloyds to pay Miss B £100 compensation for the frustration and inconvenience caused in full and final settlement of this complaint.

My final decision

For the reasons given above, and in my provisional decision, I uphold Miss B's complaint

Lloyds Bank PLC should now pay Miss B £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 2 January 2024.

Sandra Greene
Ombudsman