

The complaint

Mrs S says Lloyds Bank PLC unfairly closed her bank and credit card accounts and didn't provide adequate reasons for doing so.

What happened

Mrs S held a bank account and credit card account with Lloyds for several years. In July 2022, Lloyds wrote to her to say it would be closing her accounts in two months in line with its terms and conditions. It told her that, during that time, the accounts would be blocked and no further transactions would be allowed.

After Mrs S complained, Lloyds confirmed its decision was made following a review of her accounts.

Unhappy with Lloyds's response, Mrs S complained to this service. She said inadequate reasons had been provided by Lloyds and that she wasn't happy with how Lloyds had communicated with her about the closure. She thought at first that she was being scammed. Mrs S wanted Lloyds to reinstate the accounts and pay her compensation.

One of our investigators looked into the complaint and recommended that it shouldn't be upheld. They believed Lloyds had acted fairly given the account terms and conditions and that it hadn't done anything wrong.

As Mrs S was unhappy with the investigator's findings, the complaint was passed to me to review afresh and reach a decision. Among other things, Mrs S denied that she posed a risk to Lloyds's business, as she'd been led to believe, and said she'd been adversely affected by its actions.

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 the complaint. I'll explain why.

I recognise how frustrating it must have been for Mrs S to discover that her accounts had been blocked ahead of them being closed without her agreement. She clearly feels she's done nothing wrong, and that Lloyds's actions simply aren't justified.

On the other hand, I'm mindful that, just as a customer can close an account with a bank without reason, there isn't anything to stop a bank from doing likewise. As long as that bank does so fairly and in accordance with its terms and conditions.

I've reviewed the applicable account and credit card terms and conditions and they explain Lloyds will write to the consumer at least two months before closing their account (unless there are reasons for it to close immediately). They don't suggest that Lloyds must provide a reason every time an account is closed. From experience, such terms are commonly found

in personal banking and credit card agreements, and I don't think they're inherently unfair or unreasonable.

Based on the available information, I'm satisfied Lloyds provided Mrs S with two months' notice before closing the accounts as it was required to.

As such, I don't think Lloyds treated Mrs S unfairly in closing the accounts as it did.

I've not considered the concerns Mrs S has raised more recently about a payment being due on her credit card or any effects on her credit report. As one of our investigators has explained to her, those issues arose after Lloyds issued its final response and don't fall within the scope of this complaint.

My final decision

For the reasons given, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 2 August 2023.

Nimish Patel
Ombudsman