

## **The complaint**

Miss S complains that Lloyds Bank PLC did not process an attempted payment, and they later suspended access to her bank account.

## **What happened**

Miss S says she attempted to make a payment of £5,200 to an existing beneficiary on 17 May 2023, but the payment was blocked. She says she was able to make subsequent payments of £9,000 and £4,000 to the recipient bank account later that day which raised the inconsistency of blocking the £5,200 payment. Miss S says she spoke to a chat agent that day who was unable to identify any reasons for blocking the £5,200 payment, and she says he told her that there would be no interruptions to her bank account. But on 19 May 2023, Lloyds suspended access to her internet banking. Miss S made a complaint to Lloyds.

Lloyds did not uphold Miss S' complaint. They said her transfer of £5,200 was flagged for an additional security check as they had some concerns about the payment. As part of their security process Miss S needed to speak with their fraud team, but as she hadn't spoken to their fraud team they blocked her internet banking as an additional security precaution.

Lloyds said each transaction Miss S made is reviewed individually, looking at the risks or concerns they have each time, which is why she was then able to make other transfers for other amounts on the same day which weren't flagged for additional checks. Lloyds apologised for the confusion with the chat agent. Miss S brought her complaint to our service.

Our investigator did not uphold Miss S' complaint. She said she didn't agree that there was an error in the payment for £5,200 being flagged for additional security checks. She said Miss S' internet banking was suspended because she didn't contact Lloyds about the failed payment and there were security concerns. Our investigator acknowledged Lloyds could've provided better service over the online chat, but she considered their apology to be fair.

Miss S asked for an ombudsman to review her complaint. She made a number of points. In summary, she said on the chat she should have been informed about the impending complete suspension of her account, and the chat agent indicated that he lacked visibility into the success or failure of the transaction, which was puzzling to Miss S. He also confused the faster payments with debit card transactions.

## **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.

Miss S has made a number of points to this service, and I've considered and read everything she's said and sent us. But, in line with this service's role as a quick and informal body I'll be focusing on the crux of her complaint in deciding what's fair and reasonable here.

I must make it clear to Miss S that it is not within this service's remit to tell a business how

they should operate their security procedures, such as what payments they should and shouldn't block – even if a payment has been made to the same beneficiary several times before. It is also not within our service's remit to tell a business when they should or shouldn't suspend access to a customers' account in these circumstances. It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct Lloyds to make changes to their policies and procedures, if necessary.

Lloyds personal banking terms set out how they can refuse to make a payment. As they had concerns about the payment Miss S was trying to make, they took measures to block this payment from completing until Miss S spoke to them. Banks and building societies have an obligation to try and keep their customers' accounts safe and prevent them from being victims of fraud and scams. Sometimes they identify and block legitimate payments due to security concerns. This can cause distress and inconvenience to a customer – but it doesn't necessarily mean they have acted incorrectly.

I know Miss S has concerns that Lloyds stopped the payment for £5,200 but they allowed payments totalling £13,000 to the recipient bank on the same day. But each payment is checked on its own merits. While this can appear confusing why one payment can be stopped and other payment(s) are allowed, it doesn't necessarily follow that an error has been made here.

Lloyds are not obliged to divulge the reason for the block to Miss S as this could breach their security protocols and help people circumvent their fraud prevention systems. They also aren't obliged to share their security process with our service, or frontline staff such as chat agents, which could be why the chat agent didn't have visibility of the transaction Miss S was talking to him about. But on this occasion, Lloyds have explained to our service why the payment was blocked. While I'm unable to disclose this reason to Miss S for the reasons I've just mentioned, I can confirm there was no error in blocking the £5,200 payment and allowing the further payments to proceed.

Lloyds' security procedures mean that Miss S would have to give them a call to complete their security process and release the payment (or return this if Miss S decided not to proceed with the transfer). And it was clear in the chat Miss S had with them that she would need to call them.

I've reviewed the chat conversation that Miss S had on 17 May 2023 which she forwarded to our service. I'm not persuaded that the chat agent did tell Miss S that there would be no interruptions to her banking service. Miss S asked the call handler *"Will it be ok to call tomorrow or Friday as I am busy today"*. The chat agent replies *"Yes (Miss S). The team is available 24 hours a day and 7 days a week."* While Miss S says *"Thanks for confirming as I didn't want any interruption to my account"*, the chat agent didn't respond to this comment or confirm/deny that there would be any interruption to her account. He had given Miss S factual information about her being able to call at any time.

The conversation moves onto a copy of the chat transcript and Miss S clarifying to the call handler that it was a faster payment and not a debit card transaction. So I'm not persuaded that Miss S was told there would be no interruption to the account. She may have interpreted this when the chat agent didn't respond to her, but I'm not persuaded this was him saying there would be no interruption. And I'm not persuaded the chat agent would be reasonably aware of what actions the fraud team would take and when.

But the block on Miss S' account happened on Friday 19 May 2023. Miss S did ask if she could call tomorrow (Thursday 18 May) or Friday (19 May). Had she of done this, then she may have been able to speak to Lloyds before the block was placed on the account, but she didn't ring Lloyds until 24 May 2023, when the block was removed, and Miss S confirmed

she didn't want to make the payment anymore.

Lloyds have apologised for the chat confusion regarding debit card transactions and faster payment transactions. I'm satisfied that this is proportionate for what happened here. I say this because the chat agent was clear Miss S needed to call them on more than one occasion, and Miss S knew this as she asked if she could ring the next day or Friday, so she knew she needed to ring them. At the end of the chat Miss S says "*Thanks and just to confirm we are talking about a faster payment not debit card*" and the chat agent replies "Yes" and he mentions he can't see the footprint of the faster payment. So I'm satisfied he was talking about faster payments by the end of the chat. So it follows I don't require Lloyds to do anything further.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 30 January 2024.

Gregory Sloanes  
**Ombudsman**