

## **The complaint**

Mr P complains that Lloyds Bank PLC misinformed him about his ability to open a new monthly saver account

## **What happened**

In May 2023, having had his Club Lloyds monthly saver account (CLMS) for six months, Mr P contacted Lloyds to ask about opening a new account to take advantage of higher interest rates, and to pay off a loan in 12 months' time. He says that he spoke to an adviser at Lloyds on 11 May 2023 who said he could do this. He says that, reliant on that, the next day he transferred the balance on his CLMS to his current account, but was unable to close down the CLMS. He contacted Lloyds again and an adviser closed down the account for him. However he then called back to say he had been trying to open a new CLMS but wasn't able to do so. He was told he was unable to open a new CLMS within 12 months of opening the previous one.

Mr P did however manage to open a new CLMS online on 16 May 2023 with the new interest rate. Lloyd says he shouldn't have been able to do this but there was a system error. However he wasn't able to transfer the savings he had had in his old account, because the terms of the CLMS were that he could only pay into the account a maximum of £400 each month.

Mr P complained to Lloyds. It apologised for the fact that he had been unable to close his CLMS online and paid him £20 for the inconvenience. It was however unable to trace the call where Mr P says he was given the wrong advice. It said there was no bank error in any event and he could not either reopen the old account or pay in more than £400 into the new one. He referred his complaint to the Financial Ombudsman Service advising that he was seeking compensation of £50 for his inconvenience.

Our Investigator said that Lloyds arrived at its decision having taken all relevant factors into consideration and the outcome reached was fair and reasonable.

Mr P did not agree and was concerned that it was thought that he was lying. In particular he wanted Lloyds to produce the recording of the phone call he had made where he was misinformed.

The matter has been referred to me for an Ombudsman's consideration.

## **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.

First of all I don't think it has been suggested that Mr P was lying. Whilst his and Lloyds' records as to the dates of his phone calls do seem to differ, whether his initial phone call was 11 or 12 May 2023, Lloyds doesn't have a record of it (including any written call notes), so I can't ask it to produce details of it.

Nevertheless I shall proceed on the basis that Mr P was given the impression that he could close his old CLMS and open a new one. And I note that, due to a system error Mr P was able to open a new CLMS. He has been able to benefit from the error by having the new account with the updated interest rate.

I bear in mind that the reason for Mr P contacting Lloyds was because he wanted to benefit from the new interest rate. So if he had been told straight away that he couldn't close the old account and open a new one, he wouldn't have benefited from the new interest rate. And whilst I accept that he couldn't transfer the balance of the old account to the new one because of the terms and conditions of that account, I'm satisfied that those are available to customers when signing up for the account.

I've considered Mr P's request for increased compensation but on balance I think that the payment of £20 is fair and reasonable. And he has had the benefit of being able to open the new CLMS because of Lloyds' system error.

### **My final decision**

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 2 February 2024.

Ray Lawley  
**Ombudsman**