

## **The complaint**

Mrs K is unhappy that Lloyds Bank PLC ("Lloyds") has prevented her from making cash withdrawals due to fraud concerns despite Mrs K confirming she is not a victim of fraud.

## **What happened**

On 4 May 2023 Mrs K visited a Lloyds branch and asked to withdraw £50,000 from her account in cash. She was questioned by staff about the payment and the withdrawal was made.

On 18 May 2023 Mrs K again went into branch to withdraw £50,000 in cash. She'd been advised the week before that Lloyds would be questioning her further about the payment and the police would be called to discuss it with her. Mrs K discussed the withdrawal with staff and the police in branch. Based on these discussions Lloyds didn't feel Mrs K had been able to explain why she wanted this amount of cash. It felt the risk was too great and decided it was unable to allow Mrs K to take the funds in cash.

Mrs K was unhappy with this and made a complaint to Lloyds. It responded in June 2023 but felt it had acted reasonably and in line with its policies and responsibilities. Mrs K brought the complaint to our service but our investigator didn't uphold it. They didn't feel Lloyds had acted unreasonably.

Mrs K didn't accept this. She said back in 2013 the bank had allowed her to make large deposits and withdrawals to the account so the sudden refusal to allow withdrawals was irrational and unfair. Because Mrs K didn't agree, the complaint has been passed to me to make a 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.

In broad terms, the starting position is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And I have taken that into account when deciding what's fair and reasonable in this case.

However, taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider Lloyds should fairly and reasonably have systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer. And,

where the transaction is being made in branch, I think Lloyds should reasonably be following Banking Protocol where appropriate.

I've also considered the standard account terms and conditions available on Lloyds' website which set out that it is able to refuse a cash withdrawal in certain circumstances. Including where it has concerns about fraud.

Taking all of this into account, overall, I don't think Lloyds has acted unreasonably in taking the steps it did. I think it was reasonable for branch staff to invoke the Banking Protocol. I've looked at the Protocol, which has been agreed between financial sector organisations, Trading Standards and the police as an initiative to protect customers from being the victim of scams and fraud. It applies to any customer looking to make a transaction that is out of character and staff believe could be the victim of fraud or scams. The Protocol sets out factors that might indicate potential abuse, looking at them together with the circumstances of the visit, I think the branch staff acted reasonably in following the Protocol, including calling the police.

Mrs K is unhappy that Lloyds ultimately decided not to allow her to make the withdrawal following her discussions in branch. And whilst it's not for me to make a decision about Lloyds' security measures in general, or how it decides it best meets its obligations to its customers, I have considered whether I feel in this particular case it made a reasonable decision not to allow the withdrawal based on the information available to it at the time.

Mrs K's account had a balance of around £250,000. She'd informed Lloyds she wished to withdraw all of this money in cash. And I think it's reasonable that this was identified as unusual behaviour. Generally speaking, I don't think an average person would require so much money in cash without a specific purpose. I also think it's reasonable that Lloyds would question why someone might want to access all of their savings all at once.

From what I've seen of Lloyds' records from the time and Mrs K's own correspondence both to Lloyds and our service, she did not disclose to the bank the reason she wanted all of her savings in cash beyond saying she just wanted it in cash. I think it's reasonable that this response didn't satisfy Lloyds Mrs K wasn't at risk from fraud or other financial harm. Like I've said above, I think someone would usually have a specific reason for wanting to access this amount of money in cash.

Lloyds also asked Mrs K where she would be keeping the money. Given the large amounts involved, again, I think this was a reasonable question. As Lloyds pointed out, Mrs K would have very little protection should anything happen to the cash. Mrs K didn't say where she intended to keep the cash. I understand she's said this was for her own security, but from Lloyds perspective I don't think this answer demonstrated that she had a persuasive reason for taking the steps she was trying to take.

Lloyds' records indicate that after their discussion with Mrs K, the police were also not satisfied Mrs K had been able to explain why she wanted such large amounts of cash. And I think it's reasonable it took this into account when reaching the conclusion it was unable to allow the withdrawal to go ahead.

Whilst I understand Mrs K's money is her own, for the reasons I've given above, I do think Lloyds was entitled to carefully consider whether it would be acting responsibly in allowing the withdrawal. And based on the information available to it on 18 May 2023, I think Lloyds' decision not to allow the withdrawal was reasonable. I don't think Mrs K was able to answer questions about why she needed the money in cash in such a way that reasonably ought to have satisfied Lloyds she wasn't at risk from fraud or potential harm.

Mrs K has said she has in the past – between 2013 and 2015 - been able to withdraw and deposit large amounts of cash to her account so Lloyd's recent decision to stop her doing this is unfair. I don't consider it relevant to this case that Mrs K may have been allowed to make similar withdrawals between eight and 10 years ago. What I've considered is Lloyds' actions in this case in the current circumstances and in line with current rules and guidance. As I've explained, I don't think Lloyds' actions were unreasonable here.

But, that said, fraud and scams are constantly evolving and becoming more sophisticated and prevalent. In response to this rules, regulations, laws, protocols and banks policies will also evolve to ensure customers are protected. So I don't think it's unfair or unreasonable that over time Lloyds might've changed its policies around large withdrawals.

I understand Mrs K has recently told our service that the reason she wants over £250,000 in cash is because she's unable to use her bank card herself and relies on her son to do this for her. So she wants cash available in case anything should he become unable to help her. It's not clear why Mrs K didn't mention this to Lloyds or the police. It's also not clear why she feels she would need such large amounts or whether there are other options she has considered or discussed with the bank around what measures could be put in place should her son become incapacitated.

But, this doesn't appear to have been information she shared with the bank when it made its decision not to allow her cash withdrawal. She is able to contact it directly to discuss this further now if she'd like to so it can consider whether it changes its position. It may also be able to consider if there are alternative options it can explore to allow her to access her money should her son become unable to help her.

I'm sorry this situation has been upsetting for Mrs K, but as I don't think Lloyds has acted unfairly I don't require it to take any further action in this case.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 18 January 2024.

Faye Brownhill  
**Ombudsman**