

The complaint

Miss S complains about Lloyds Bank PLC banking APP service which wouldn't allow her to deposit a cheque.

What happened

Miss S says she specifically registered with Lloyds mobile banking APP so she could use their automated cheque deposit service.

Miss S explains that her attempt to deposit a £50 cheque was rejected, despite her meticulously following Lloyds' instructions and capturing a clear image. Miss S describes making "precisely 50 attempts to deposit the cheque".

Miss S was instructed to visit a branch but, as this was inconvenient, she posted the cheque to Lloyds.

Miss S complained to Lloyds. This is because she feels their process was arduous, caused significant frustration, inconvenience, wasted time and postal costs.

Lloyds said they were sorry Miss S was unable to deposit the cheque but didn't uphold her complaint.

Miss S complained to our service seeking £75 compensation and an additional £5 to cover postage expenses. Miss S added that she considers Lloyds have breached section 3 of their terms and conditions pertaining to internet banking and cheque imaging.

Our investigator recognised Miss S's frustration, but said he wasn't upholding her complaint as he considered there to be minor inconvenience and no proof Lloyds were at fault.

As Miss S remains dissatisfied, this case has now been referred to me to look at.

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 this complaint and I'll explain why.

As Miss S feels this issue could've been averted if Lloyds' APP had the provision to transmit the image for manual human approval as some other banks do, I should explain that, as we aren't the regulator of the financial services industry, I can't tell a business to make alterations to their systems, services, procedures or processes. Also, banks are entitled to make commercial decisions on the type of services they provide.

Miss S is steadfast in her belief that the issue she experienced was because the APP experienced technical issues.

If this was the case Lloyds' terms and conditions say:

- *'8.1 You can usually use Internet Banking and the Additional Services at all times but occasionally repairs, updates and maintenance on our systems may mean some or*

- all of the services aren't available or may be slow for a short time.*
- *8.2 We won't be liable to you if you suffer any loss in such circumstances. This is because you should be able to give us instructions by other means, for example by calling us or coming into one of our branches'.*

However, Lloyds say there were no wider issues with the cheque imaging system on the day in question.

From reviewing Miss S's submission, I'm persuaded she had a frustrating time trying to scan and electronically deposit her cheque. However, our service can't interrogate business systems and having checked the file and seen the following:

- An image of the following error message Miss S captured:
'Sorry, there's a problem with the image quality and you'll need to try again. Make sure the cheque is positioned correctly, flat against a contrasting background, and the lighting is not too dark or too bright'
- Miss S's comment that:
"Despite my repeated endeavours, the app consistently failed to accurately process the cheque images".

I think it more likely than not that this was an isolated issue specific to Miss S's situation. Also, I note Miss S was a first-time user and has subsequently had success using Lloyds' APP for cheque deposits.

For security reasons Lloyds have stringent scanning requirements and, as it's more likely than not that this was an issue specific to Miss S, there are a number of possible reasons here, such as a shadow or the cheque not being positioned correctly in the photograph.

Technology can sometimes be problematic, cause wasted time and inconvenience. I recognise this is the case here. But it isn't possible to know the exact cause of the issue and as Miss S appears to have had a problem capturing an image and there is no evidence of a Lloyds error, I don't think it would be fair or reasonable to conclude that Lloyds were responsible for the issues Miss S experienced.

I looked further at Lloyds' terms and conditions, and Miss S's points, but I'm not persuaded there has been any breach.

So, having considered the above and all the information on file, I'm not upholding this complaint.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 7 February 2024.

Paul Douglas
Ombudsman