

## **The complaint**

Mr S complains that Lloyds Bank PLC unfairly blocked a transaction.

## **What happened**

In October 2023, Mr S used his online banking to try and transfer £6,000 to a relation. The transfer was blocked by Lloyds automated security system.

After Mr S spoke to Lloyds' fraud team it flagged the transaction as an unsafe payment and declined to authorise it.

Mr S was very unhappy with Lloyds' response and said that the person handling the call had abused his power. Mr S said the money was his and that it was not a fraudulent transaction.

Our investigator didn't uphold Mr S's complaint. He thought Lloyds had acted in line with the terms of Mr S's account by blocking the payment after it had concerns over the legitimacy of the transaction.

Mr S is unhappy with the investigation outcome. He thinks our investigator has just followed what Lloyds has said. Mr S is concerned that the Financial Ombudsman doesn't challenge financial institutions. Mr S says banks can always fall back on terms and conditions to justify their 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.

I would first like to say that I understand Mr S's frustration when Lloyds declined his transfer request. However, as our investigator explained, banks have a duty to protect their customers from fraud.

Mr S wanted to transfer £6,000 to someone he had not sent money to before. So, I think it was reasonable for Lloyds to flag the transaction for further checks.

The terms of Mr S's bank account allow Lloyds to ask its customers to take further steps to check a payment is not fraudulent. The terms say that Lloyds may do this where it thinks someone has tricked a customer into making the payment. If after conducting the further steps, Lloyds still suspects the payment instruction is fraudulent, Lloyds can then refuse to make the payment.

I have listened to the call between Mr S and Lloyds and can understand why Lloyds thought the payment was unsafe. Although Mr S says he had received the cash from his relation, he had not paid this into his account. So, Lloyds did not have evidence of a corresponding credit to Mr S's account.

Mr S confirmed that it was the first time he had transferred money to the relation and he obtained the account details from a text message. Mr S told Lloyds he had not confirmed the

account details with his relation over the phone for example.

In the circumstances I think it was reasonable for Lloyds to suspect that Mr S might become the victim of an impersonation scam. Lloyds has issued a recent warning about impersonation scams involving criminals posing as family members. These scams often begin with a text message – as was the case with Mr S. And as I have said above, although Mr S told Lloyds he had received the cash from his relation, Lloyds had no evidence of this as Mr S had not paid the money into his account.

Overall, I'm not persuaded that Lloyds treated Mr S unfairly when it refused to make the payment in line with the terms of his account.

I appreciate Mr S might feel that I am just agreeing with Lloyds but I have thought carefully about the situation and listened to both sides of the story. I don't have evidence to suggest that Lloyds abused its position when it declined the payment based on the information Mr S supplied. It follows that I don't require Lloyds to act in response to Mr S's complaint.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 3 April 2024.

Gemma Bowen  
**Ombudsman**