

The complaint

Mr and Mrs C complain that when they went on holiday their card for their Lloyds Bank PLC ("Lloyds") account was declined on a number of occasions. Mr C says this caused a lot of distress and inconvenience and the subsequent advice they were given regarding a Lasting Power of Attorney ("POA") caused offence and was discriminatory.

What happened

Mr and Mrs C went on holiday abroad and Mr C contacted Lloyds and informed it about this prior to leaving. On 14 January 2023 the account was fraud checked due to a suspicious transaction attempted with their card while abroad and the card was blocked.

Lloyds tried messaging Mr and Mrs C about the transaction but as their contact details weren't up to date, they didn't receive the message and they weren't able to proceed with the transaction. Mr C has confirmed that on return from holiday Lloyds had left messages regarding the transaction.

Mr and Mrs C complained about this as it impacted the enjoyment of their holiday and was particularly distressing for Mrs C who suffers from dementia.

Lloyds agreed that the overall service it offered was lacking and paid £100 compensation to settle the complaint. Mr C now feels this was insufficient in particular due to the offence caused by suggesting they register a POA and so brought their complaint to this service.

One of our investigators looked into Mr and Mrs C's concerns and reached the conclusion that although Mr and Mrs C had been inconvenienced by the security measures Lloyds had in place, they thought they were reasonable and Lloyds hadn't made an error applying them.

They thought the £100 compensation for the service Mr and Mrs C had received was a fair way to compensate them.

Mr and Mrs C disagreed and has asked for an ombudsman's 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.

Having considered everything provided, I've decided not to uphold Mr and Mrs C's complaint.

I hope that Mr and Mrs C won't take it as a discourtesy that I've condensed their complaint in the way that I have. I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that. And the crux of Mr and Mrs C's complaint is that a block was applied to their cards whilst abroad and the subsequent advice they received they felt was discriminatory and offensive.

It might be helpful for me to say here that, as we are not the regulator, I cannot make the bank change its systems or processes – such as how transactions are processed or what security measures a bank puts in place. We offer an informal dispute resolution service and we have no regulatory or disciplinary role.

My role is to look at the problems Mr and Mrs C have experienced and see if the Lloyds has done anything wrong or treated them unfairly. If it has, I would seek – if possible - to put Mr and Mrs C back in the position they would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

In this case it is not disputed that Mr and Mrs C had trouble using their card abroad and that a fraud block was applied. The transaction history supplied by Lloyds shows that there were five occasions where Mr and Mrs C had transactions declined over two days, though either side of this period Mr and Mrs C were able to transact.

From what I understand this was due to an automatic fraud check that was applied and this being the case it would've made no difference that Mr C had informed Lloyds of their intended destination of travel prior to leaving.

I also understand that this is a standard security measure applied and what usually happens is that the customer would receive a message asking them to confirm the transaction following which the card would be unblocked.

So what I need to decide is whether it was fair of Lloyds to apply the block – especially given Lloyds had been informed of Mr and Mrs C's travel plans in advance. And overall, I think it was. Lloyds may well have been provided with information about Mr and Mrs C travel plans but that doesn't mean that transactions made on their account shouldn't still be subject to security measures that Lloyds has in place or that they couldn't be the victims of fraud in another country.

Unfortunately, in Mr and Mrs C's case the contact details Lloyds had for them weren't up to date and they didn't receive a text message asking them to confirm the attempted transaction. This meant the block remained on the card longer than usual and resulted in them being inconvenienced more than was necessary.

But Lloyds have provided internal records that show Mr C only provided it with his up to date mobile number following his return from travel. So although I appreciate that having the block applied to the card caused Mr and Mrs C some distress and inconvenience, I can't say that this was through any error made on Lloyds part.

And I also don't think the security measures were unfair. Indeed, while I wouldn't tell Lloyds how to run its business or what security measures it needs in place, I would expect it to take reasonable measures to protect its customers against theft and fraud.

Mr and Mrs C also took offence by the suggestion a POA was registered for Mrs C and that they thought this was discriminatory and that the options provided for unlocking Mrs C's card weren't appropriate. I appreciate Mrs C's condition is a particularly sensitive issue. But having reviewed the notes I'm satisfied the suggestion to register a POA was because Lloyds had been informed of Mrs C's condition and it believed that this may be something that would assist Mrs C in the future and not intended to cause offence. Indeed, I can see not long after this the process to register a POA had started. So I don't think Lloyds have been discriminatory regarding Mrs C's condition.

I do however think that some confusing and contradictory information was provided by Lloyds when trying to resolve this matter and I think Lloyds could've done more to prevent

this happening in the first place by simply confirming with Mr C that it had their up to date contact details when he notified it they were going abroad.

If Mr C has the forethought to inform Lloyds about his upcoming travel plans, I think Lloyds should've also been able to reasonably foresee that not ensuring the number it holds for him is up to date might cause some issues for security when transacting abroad.

But I can see that Lloyds has already compensated Mr and Mrs C £100 for the service they received and I'm not persuaded an uplift on this would make a material difference to their circumstances. So I think the £100 already paid is a fair way to settle Mr and Mrs C's complaint and I'm not going to ask that it do anything more.

My final decision

For the reasons I've explained I've decided not to uphold Mr and Mrs C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Mrs C to accept or reject my decision before 6 November 2023.

Caroline Davies
Ombudsman