

The complaint

Mr M complains that Lloyds Bank PLC didn't apply security checks to his account, and unreasonably closed his account.

What happened

When Mr M called Lloyds to transfer some funds and went through to an adviser without having to answer any questions, he complained. Lloyds said this was because he called on a number that was considered verified, and when this happens it is able to access a customer's details and perform simple actions without the requirement of additional verification.

In its letter of 12 December 2022, Lloyds said it helped Mr M send some money, but should have addressed his questions about his Personal Security Number instead of transferring him. And when he called about his subject access requests it should have asked him to call back when the specialist team were available. Lloyds apologised to Mr M and paid him £116 compensation, including £36 call costs. It said it had included everything in Mr M's subject access requests from March to December 2022. Lloyds said it had concerns about how Mr M referred to its staff and asked him to be mindful of how he spoke to them.

Mr M wasn't satisfied with this and called Lloyds about service issues and the security of his account. Lloyds responded by letter of 1 February 2023. Lloyds explained that its checks sometimes include using phone identity, as this allows it to recognise a customer's phone number and customers can access their accounts quickly and securely. Lloyds said it couldn't offer the service Mr M needs, and had decided to close his accounts, and gave him 65 days' notice from 1 February to 6 April 2023. Mr M complained about this to Lloyds.

Mr M was dissatisfied with Lloyds' response and referred his complaint to our service. Our investigator didn't recommend that it be upheld. She said Mr M had previously raised complaints about comments made by Lloyds' staff, advice about subject access requests, and security questions asked, but Mr M had referred these to us out of time. But she said we can consider Mr M's complaints for which the final responses were issued on 12 December 2022 and 1 February 2023, which concerned the closure of his bank account.

The investigator said the terms of the account allow Lloyds to end an agreement without notice for specified reasons including if the customer has behaved improperly. But she said Lloyds can also close an account without providing its customer with a reason by giving two months' notice and had acted in line with the terms and conditions by giving Mr M 65 days' notice. She said we can't disclose this information, but it wasn't due to previous security concerns that Mr M had complained about, and Lloyds had acted fairly.

Mr M disagreed with the investigator and said he'd been put under pressure to respond. He said Lloyds committed security breaches and closed his account in response to his raising these. He said he had at last received the information from Lloyds on his subject access requests. On 13 June 2023 Mr M said he wanted to submit a full report of what happened for the ombudsman to review his complaint.

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.

Mr M requested extra time to provide further information, but two months later he hasn't done so.

Lloyds previous final responses gave Mr M six months to refer his complaint to our service and confirmed that after this time, our Service would not have Lloyds' consent to investigate the matter. A response to Mr M's complaints regarding comments made on calls, advice given regarding how to make a subject access request, security questions, and the line being cut off when calling was issued on 1 June 2022. We received Mr M's referral under this case reference on 9 February 2023, as this was more than six months after this final response I'm unable to comment any events that occurred within these complaints.

Mr M brought his complaint to us concerning the closure of his bank account by Lloyds within the six-month time limit and I have considered that here. In so doing I have referred to the security checks objected to by Mr M but not considered their validity or applicability.

Lloyds has a duty to protect customers' accounts by means of security checks. Mr M is sceptical about Lloyds' security procedures. Because he was reluctant to give details over the phone Lloyds has offered him alternatives, but he has declined these.

Mr M became frustrated with the security checks and said Lloyds reset his PIN without his knowledge and signed him up to telephone authorisation for security, which he had not agreed to. It appears his communications with Lloyds became strained and on occasions Lloyds have warned Mr M about the way in which he has spoken to its staff. Lloyds then closed Mr M's account

I can understand Mr M's frustration at the closure of his accounts as this would have been hugely inconvenient. However, Lloyds gave Mr M warnings about his behaviour, and I can understand why it didn't want to do business with him any longer. As I'm sure he will appreciate, Lloyds is entitled to close a customer's accounts just as a customer is entitled to close their account with a bank. We will only look at a decision to close an account to see if a bank has treated its customer in accordance with the terms and conditions of the account, and to see if it has acted fairly.

Within Lloyds' response to Mr M's complaint in February 2023, Lloyds provided 65 days' notice that they would close Mr M's accounts due to a breakdown in their relationship. Lloyds' final response letter explained that it was, '*unable to offer the level of service you need*', and so it decided to close his account. Lloyds provided the correct notice period to Mr M.

Given the information provided to me, I believe Lloyds have closed Mr M's account both fairly and reasonably, in line with the terms and conditions of the account and has provided him with the correct notice period. As I have said, closure of a bank account involves a great deal of inconvenience, but the 65-day notice period should have allowed Mr M time to make alternative arrangements.

My final decision

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or

reject my decision before 10 October 2023.

Andrew Fraser
Ombudsman