

The complaint

Mr G has asked his daughter (Ms G) to bring this complaint on his behalf. She complains that Lloyds Bank PLC didn't do enough to protect Mr G's account(s).

What happened

The circumstances that led to this complaint are well known to both parties, so I won't repeat them in detail here. But, in summary:

- Mr G failed a mental capacity test in May 2021, so an Enduring Power of Attorney (EPA) was registered in June 2021 which appointed Ms G, her stepbrother (Mr G2) and Mr G's wife as attorneys. Ms G was the only attorney to register the EPA with the bank, so the bank changed the correspondence address on Mr G's account(s) to Ms G's address. Mr G's wife managed the account(s), with Mr G2's support, until her death in January 2022. Ms G notified Lloyds about this, arranged for the EPA to be updated with the Office of the Public Guardian (OPG) and took over management of the account(s) and Mr G's finances.
- By June 2022 Mr G's health had improved and further tests deemed he had regained the mental capacity to make his own financial decisions. Ms G shared this with Mr G2, but he formally disputed the outcome of the tests.
- In August 2022 Mr G2 registered the EPA with the bank and asked for Mr G's correspondence and residential addresses to be updated to his own address. Ms G discovered this, by chance, in September 2022 during a conversation with the bank. The bank refused to change the address back until it had consulted Mr G2. It took some time before Mr G2 replied and related conversations between the bank and Ms G had to be rescheduled a number of times. The addresses were reverted in mid-November 2022.
- In December 2022 a new Lasting Power of Attorney (LPA) for finance and property was registered and the EPA was revoked. The LPA appointed only Ms G and her sister as attorneys.

Ms G is unhappy with how Lloyds handled the matter, but our adjudicator didn't think the bank had acted unreasonably. Ms G disagreed, so the complaint has come to me.

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've reached the same outcome as the investigator for much the same reasons. I note, in particular that:

- I haven't been provided with recordings of any of the calls that took place between Mr G2 and the bank and I think these should be provided to Mr G if he (or Ms G on his behalf)

requests them given that the calls relate to his account(s). But I think I can reach a fair decision without listening to those calls.

- While I've not seen a copy of the EPA, Ms G hasn't disputed Lloyds' assertion that it gives the attorneys power to make decisions and act independently.
- Despite what Ms G says, I don't think the bank ought to have been suspicious when Mr G2 registered the EPA, advised that Mr G had moved in with him and asked for the addresses to be changed. I accept he did so some months after Ms G notified the bank about the EPA changes in January 2022. But, in my experience, it isn't unusual for one of the named attorneys to take control and/or act as the sole contact point and for arrangements between attorneys to change over time. Nor is there anything which suggests Ms G told the bank about Mr G's improved mental health in July or that Mr G2 disputed this. And the EPA which gave Mr G2 power to act as an attorney wasn't amended/revoked until December 2022. So as Ms G didn't flag any concerns with the bank about Mr G2 and/or his actions until after she found out he'd registered the EPA and changed the addresses. In the circumstances, I don't agree that the bank ought to have undertaken any additional checks before changing the addresses.
- Ms G says Lloyds should have sent notification about the change of address to the previous addresses. In my experience, this is often what financial businesses do to help guard against wrongful changes and/or mistakes. But there's no obligation to do so and I haven't seen Lloyds' internal processes in order to check they were followed. However, as I've already said, I don't think it was wrong of the bank to change the addresses. And if it had sent a notification to the previous addresses this would only have resulted in Mr G and Ms G finding out about the change one month earlier. So the steps that were subsequently taken would simply have happened a little sooner. And, importantly, Ms G says Mr G2 made only two transactions from one of Mr G's account(s) while the EPA was in place. But she's not specifically said those payments wouldn't otherwise have been made or that the people who received them weren't entitled to the money. She's provided no other evidence that suggests a financial loss has occurred, or for which the bank should be held liable.
- I don't think it was unreasonable of the bank to check in with Mr G2 before amending the addresses again. At that point Ms G and Mr G2 were both still authorised to act as attorneys for Mr G and there seemed to be a dispute between them. So I think it was important for the bank to understand both parties' positions before making any further changes. Mr G2 seems to have agreed to the addresses being reverted and it's not for me (or the bank) to uncover Mr G's motivation for changing the addresses or to say whether or not he was acting in Mr G's best interests.
- Ms G says the bank initially refused to confirm in writing the events that led to this complaint. But I can see the letter dated 21 February 2023 explained how the address changes came about. Ms G says the delay providing this information meant she couldn't take formal action against Mr G2 (presumably, with the OPG). But it's clear that Ms G managed to get Mr G2's power to act as an attorney removed in December 2022. And, as I've already said, she hasn't said that any financial losses resulted from Mr G2 having access to the account(s).

I appreciate Ms G's strength of feeling and I don't doubt the impact this situation likely had on her and Ms G. But I can only instruct the bank to put things right for Mr G – which might include making an award of compensation – if I find it did something wrong. And, overall, I'm not persuaded that Lloyds ought to have done things differently in this particular case.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 21 December 2023.

Ruth Hersey
Ombudsman