

## **The complaint**

T, a limited company complains about the way that Lloyds Bank PLC handled its application to open a business bank account.

T is represented in its complaint by a director of T, Ms I.

## **What happened**

On 28 February 2024, T applied to open a business bank account with Lloyds. Ms I was unhappy that Lloyds gave a six week timescale to open the account and found its questions about T's business activities intrusive.

Ms I was unhappy that after Lloyds told her that another director could visit any branch to scan an account mandate form, the director was not able to do so in the branch that he visited. For this failing, Lloyds paid T £40 compensation together with £10 travel costs.

Towards the end of March 2024, Ms I withdrew T's bank account application and made a new application to Bank of Scotland (BOS).

As BOS is part of the Lloyds Banking Group, our investigator considered T's complaint about the opening of both accounts. However, after the complaint came to me to decide, I thought we should split the complaint into two parts. So, I am only considering T's complaint as it relates to the opening of the first account with Lloyds and not the second account with BOS.

Our investigator didn't uphold T's complaint about Lloyds. She thought it was fair for Lloyds to require proof of identity when opening a new account. Our investigator also thought that as T listed several descriptions of the nature of its business on its account application, it was reasonable for Lloyds to request clarification. She noted that when Ms I complained to Lloyds, it said it could have given a better explanation of why it needed to clarify the nature of T's business.

Our investigator didn't think that Lloyds six-week timeframe for opening the account was unfair.

Ms I responded to the investigation outcome by referring to other organisations against whom she was taking legal action. Our investigator explained that the Financial Ombudsman cannot comment on any matters unrelated to T's complaint against Lloyds.

## **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 appreciate that I have summarised this complaint in less detail than the parties and I have done so using my own words. The rules that govern the Financial Ombudsman allow me to take this approach but this does not mean I have not considered everything the parties have given to us.

I should also say that as our investigator has clearly explained to T, my decision only addresses the complaint about the opening of a business bank account with Lloyds in February 2024. I do not take account of, or comment on any of the information which Ms I has supplied relating to other organisations and disputes raised. I hope that Ms I understands that I can only deal with T's complaint as it relates to Lloyds.

I agree it would have been helpful if Lloyds had better managed T's expectations when it came to scanning the mandate for the second director in branch. Lloyds said that the mandate could be scanned from any Lloyds branch when this was not the case. However, I am satisfied that Lloyds compensation of £40 together with £10 travel costs, fairly reflects the inconvenience caused to T by its director being diverted away from running the business.

The evidence Lloyds has supplied shows that T started to apply for the bank account on 28 February 2024. Lloyds notified T on 1 March 2024 and again on 8 March 2024 that there were outstanding tasks. As I have said above, there was an issue when the director tried to scan the mandate but the application was updated on 15 March 2024.

On 18 March 2024 – which was the first working day after T had updated the application – Lloyds contacted T to find out more about the business. Although Ms I found Lloyds' questions about the nature of T's business to be intrusive, I don't consider it was unreasonable of Lloyds as T had given several different descriptions in the application. Banks are under a regulatory duty to know their customers, so questions of this kind are to be expected.

I am satisfied that Lloyds took appropriate steps to progress T's application and can't fairly blame it for any failure to open the account ahead of T cancelling the application on 26 March 2024. Although T was unhappy with the timescale discussed, I don't think Lloyds acted unfairly and it was T's choice to abandon the existing application and make a fresh one to BOS.

For the reasons outlined above, I don't consider Lloyds needs to take further action in response to T'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 T to accept or reject my decision before 31 October 2024.

Gemma Bowen  
**Ombudsman**