

The complaint

Mrs M complains that Paragon Bank Plc (“Paragon”) didn’t accept the identification documents she provided when she applied to open an account.

What happened

Mrs M wanted to open an account with Paragon. She applied online and was asked to provide two forms of identification. She provided a letter about Income Tax and a letter from her utility provider. But Paragon said they couldn’t accept these documents because they didn’t meet their identification criteria. So they weren’t able to open the account.

Mrs M wasn’t happy about this and raised a complaint with Paragon. She said she’d had to travel a long distance to post the documents and wanted to know why Paragon hadn’t accepted them.

Paragon didn’t uphold the complaint. They said the documents provided by Mrs M weren’t on the list of specific documents which they can accept as proof of identity. So they said they couldn’t open the account on the basis of those documents. They invited Mrs M to send alternative documents and confirmed the date by which she needed to do that if she wanted to proceed with the account opening.

Mrs M wasn’t happy with Paragon’s response so she brought her complaint to this service. She said the documents she’d provided met Paragon’s criteria. She thought they should pay her compensation for the inconvenience she’d been caused and the expense she incurred in sending the documents.

Our investigator didn’t uphold the complaint as he didn’t think Paragon had made a mistake. Mrs M didn’t agree and asked for her complaint to be reviewed by an ombudsman. She says she’d provided documents showing her name and address. And that she was disadvantaged by Paragon’s approach because her husband’s application had been approved without him having to provide documents.

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.

The starting point here is that it’s right for banks to have procedures in place to check the identity of their customers. As to exactly what those procedures are and how they are carried out, that is a matter for the bank to decide. What I need to look at here is whether Paragon followed their procedures correctly and fairly.

There are certain specific documents which Paragon say they’ll accept as proof of identity. These are set out in two lists – List A and List B. List A contains the documents they’ll accept as proof of identity. List B shows the documents they’ll accept as proof of address. Mrs M was asked to provide one document from each list.

One of the documents specified on List A is a tax notification which is valid for the current tax year or the previous tax year. Mrs M provided a letter which had been sent to her about rates of Income Tax. This isn't a tax notification. So it's not one of the documents which Paragon say they will accept. Therefore I'm satisfied they were acting within their policy when they said it didn't meet their criteria.

Paragon also say that the letter doesn't contain any specific information which would enable them to check Mrs M's identity. I think that's a reasonable explanation for why they can't accept it. So I don't think it was unfair that Paragon didn't accept this document as proof of Mrs M's identity.

The other document provided by Mrs M was a letter from a utility provider confirming the registration of her online account. This isn't a utility bill. And it isn't one of the other documents specified in List B. So I'm satisfied that Paragon were acting in line with their policy when they said they couldn't accept this document as proof of Mrs M's address.

Mrs M says her husband applied for an account successfully without having to provide documents. I can't comment on that here as I'm only looking at Mrs M's application. I realise Mrs M feels strongly about her complaint. But I think Paragon were entitled to ask for identification documents. And I don't find that either of the documents she provided met Paragon's criteria.

From the information available to me, I'm satisfied that Mrs M was made aware of the documents which Paragon would accept. And they gave her the opportunity to provide alternative documents before closing her application. So I don't think Paragon have acted unfairly here and I'm not going to ask them to do anything.

My final decision

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 31 May 2020.

Katy Kidd
Ombudsman