

## **The complaint**

Mr G is a sole trader and complains that Bank of Ireland (UK) Plc (BOI) caused delay and provided poor service to him when he applied for a Bounce Back Loan (BBL).

## **What happened**

In October 2020, Mr G applied to BOI for a £5,000 BBL. At the time, Mr G held a personal account with the bank that he used to operate his taxi business.

In the months that followed, Mr G chased BOI to determine what progress had been made with his application. But BOI required Mr G to open a business current account so that in turn he could apply for the BBL. So, in March 2021, via their DocuSign process, BOI sent Mr G the appropriate application pack.

Although Mr G completed the application form and returned it BOI, he did so by e-mail. But the bank told him the process had to be completed via DocuSign. Unfortunately, Mr G found the process difficult to navigate, and in an attempt to help, BOI gave him the option of completing a PDF version of the application form in branch. Mr G did so, and the completed form was submitted to BOI in April 2021.

BOI said their review of Mr G's application raised some concerns and that meant, in line with their standard procedure, they needed to carry out additional checks - including verifying Mr G's trading address. Following Mr G's confirmation this was his home address, BOI requested a photo of Mr G's taxi parked at the address, with the license plate visible. BOI also wanted to see Mr G's taxi licence.

Mr G did send the bank a photo of his taxi parked on the road. But BOI said it wasn't clear from the photo whether the taxi was actually parked outside Mr G's home address for it to be satisfied that a link existed. BOI also said Mr G didn't provide his taxi licence as requested. So, BOI asked for further photographs that were more in keeping with their requirements.

Unfortunately, Mr G found the process increasingly frustrating and, in his view, unnecessarily lengthy. He believed that despite providing the documents BOI requested, they kept reverting to ask for more which was causing delay. In relation to the bank's request that the photo of his taxi be taken outside his home, Mr G said that it was, albeit it was not parked on his driveway. By declining to accept his photograph he said BOI were being pedantic and unreasonable. In July 2021, Mr G told BOI he no longer wished to proceed with his application.

BOI didn't think they were responsible for any delays in the processing of Mr G's application. They acknowledged receiving the PDF version of his application form in the middle of April 2021. But they said the delay that followed resulted from having to wait for documents they'd asked Mr G to provide to help them fully consider his application.

Mr G didn't agree with the bank's position and referred his complaint to this service.

Our investigator didn't uphold the complaint. In summary, she said:

- In line with the way the BBL Scheme operated, BOI had discretion to determine how they accepted applications. And since Mr G wasn't an existing business customer of BOI, they were free to require him, as they did, to enter into a business relationship with the bank by opening a business account. In particular, as through that process BOI were then able to complete the checks required under the Scheme, including Know Your Customer checks, and those for anti-money laundering and fraud.
- It wasn't unreasonable to ask Mr G to provide information so that BOI could be certain he met the eligibility criteria for the business account and the BBL. And BOI couldn't progress his application because he didn't provide the documents the bank requested.
- The Scheme was designed to provide quick access to funds during the pandemic. Bearing in mind Mr G submitted his application in October 2020, and it remained outstanding in July 2021, with no obvious progress between November 2020 and February 2021, the application took longer to progress than was reasonable.
- BOI's delay inconvenienced Mr G who, because of certain health issues, was advised not to work during the pandemic. He had therefore to rely on his savings, which caused stress and worry. In the circumstances, as compensation BOI should pay Mr G £400.

Neither Mr G nor BOI accepted our investigator's recommendation. Mr G believed BOI has been let off lightly by our service.

In BOI's case, they acknowledged that there may have been delays with Mr G's application initially but that this arose from factors such as the pandemic and the high level of demand for BBLs, which disrupted their service.

That aside, BOI maintained their previous position. In other words, they argued that fundamentally Mr G's application was prolonged because they needed him to open a business current account as a first step towards his BBL application and additional checks to determine his eligibility became necessary. They felt any ensuing delays were primarily caused by Mr G because not only did the bank have to wait for information it requested from him, Mr G also failed to provide information the bank thought necessary for it to be able to proceed with his application.

As the case remained unresolved it has been referred to me for review and final 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.

At the heart of this case is whether there were any shortcomings in the way that BOI dealt with Mr G's BBL application. In particular, whether they were responsible for delays in the processing of it.

I start by saying that the investigator rightly pointed out that under the Scheme, lenders like BOI had some discretion to decide how they would accept BBL applications, both from new and existing customers. With that in mind, since Mr G had been operating his business through his personal account, BOI was entitled to require him to open a business current

account in order to progress his BBL application. In that regard, I don't think the bank's position was unreasonable, not least because through that process BOI were able to carry out the checks the investigator identified.

Having looked closely at the timeline of Mr G's application, it is not obvious that between November 2020 and April 2021 BOI were undertaking any checks to determine Mr G's eligibility for the BBL because Mr G was not sent the appropriate application pack until March 2021. Such checks were therefore conducted later after Mr G returned the form - between April to July 2021, to which I'll return later.

The timeline shows that after receiving Mr G's initial application in October 2020, BOI did begin to process it. But their records include a note dated 30 October 2020 which says:

*"unable to open loan account as existing account is personal and no confirmation of KYC [Know Your Customer] complete".*

The note appears to indicate that in the circumstances BOI had concluded it couldn't open a BBL account for Mr G. But I've seen no evidence they contacted Mr G to let him know the position. And although Mr G e-mailed BOI on 9 February 2021 and called them a little over a week later to chase progress of his application, it doesn't appear he was made aware of BOI's position. I've not been able to identify any meaningful action by BOI to progress matters until 11 March 2021, when BOI issued an application pack to Mr G for a Business Current Account and BBL via DocuSign.

I recognise that inevitably the pandemic would have affected the service BOI were able to provide to its customers. But a delay of that magnitude – by which I mean between November 2020 and March 2021 does seem unreasonable.

Mr G acknowledges he had problems using DocuSign to complete and return the application form after receiving the pack from BOI. That was not the bank's fault and I was pleased to see that after the bank helpfully steered Mr G towards one of its branches, he managed to complete and return the form in April 2021. That brings me therefore to the events that took place afterwards.

BOI had concerns about Mr G's application because, as they've explained they considered it was high risk and therefore further checks needed to be carried out. To that end, BOI required some additional information from Mr G, which included a photograph of his taxi parked outside his house as well as his taxi licence and asked for that information in May 2021.

BOI were entitled to set their own criteria as to what evidence they required to help determine whether Mr G's eligibility for the business current account and BBL was met. In the circumstances I don't think the evidence BOI asked for was unreasonable or unclear. Mr G did send the bank a photograph of his taxi. But it didn't comply with BOI's request. Indeed, based on the photo I've seen it's difficult to determine, for example whether the taxi was parked in front of his house. And nor is the licence plate visible. I appreciate that Mr G might feel the bank was being pedantic and that the information he did provide should have been sufficient for BOI to approve his application. Nonetheless, BOI had a responsibility to make sure, to their own satisfaction, that Mr G met the eligibility requirements for the business account and the BBL. When, therefore, the information wasn't provided to BOI as they required, I don't think it was unreasonable that the bank should have reverted to Mr G as it did to ask him to present the information again.

It is not Mr G's case that he was unclear what the bank needed. His case primarily is that what BOI were asking for was unnecessary. But having not received the information the

bank requested, I find it very difficult to conclude that BOI acted unfairly or unreasonably towards Mr G when they didn't continue processing his application whilst the information remained outstanding. Against that background, and whilst I'm sorry to disappoint Mr G, I do not find that the bank was responsible for any delays between May and July 2021.

In summary, although I'm satisfied that there was no delay by BOI in processing Mr G's BBL application between April and July 2021, I do not take the same view in respect of the period between November 2020 and March 2021. I've not been persuaded that during that period BOI took any meaningful action to progress Mr G's application. I'm further satisfied Mr G was inconvenienced by that delay, not least by having to chase the bank to find out about the progress it was making.

### **Putting things right**

After considering this case, for the same reasons given by the investigator I think the £400 compensation is fair and reasonable in the circumstances of this case

### **My final decision**

For the reasons given above I uphold this complaint. I require Bank of Ireland (UK) Plc to pay Mr G £400 in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 8 December 2022.

Asher Gordon  
**Ombudsman**