

The complaint

Mx C is unhappy that they couldn't open a bank account with Lloyds Bank PLC over the phone due to their title being Mx.

What happened

Mx C has a bank account with Lloyds which was opened online. They told us they had problems opening this account as they are borderline dyslexic and had issues completing the forms. Mx C said they didn't want to have to go through the same process again so, when they wanted to open a second account, they called Lloyds to do this. They told us they thought this had happened, but when Mx C chased this up a few days later, they were told the bank systems wouldn't allow an account to be opened over the phone using the title Mx – this could only be done online or face to face in branch.

Mx C said this was discriminatory and complained. They explained why using the online process was very difficult and that visiting a branch wasn't a suitable alternative due to their work pattern. Lloyds upheld the complaint and paid them £150.

Mx C wasn't happy with this and brought their complaint to our service, where it was looked at by one of our investigators. When asked, they told us they wanted Lloyds to fix its systems so that those with the title Mx can open bank accounts over the phone, just like anybody else.

Our investigator thought Lloyds needed to do more here. Briefly, she thought the bank should pay Mx C a further £150 for the distress they'd experienced at being treated differently to others. Lloyds agreed to this.

Mx C asked for their case to be looked at by an ombudsman. They felt it was unfair that Lloyds accept that its systems don't allow people with the title Mx to open an account over the phone but haven't changed this.

Mx C also raised questions about the Financial Ombudsman Service's process for making referrals to the Financial Conduct Authority (FCA), and whether accepting the investigator's view would prejudice their ability to take legal action against Lloyds.

As this complaint remains unresolved, it's been passed to me for a 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.

Having done so, I've decided to uphold it. I'll explain why. First, I want to make it clear that I've summarised this complaint very briefly, in less detail than has been provided, and largely in my own words. No discourtesy is intended by this. If there's something I've not mentioned, I've not ignored it. I've not commented on every individual detail. What I've done is to focus

on the details that are central to me reaching what I think is the right outcome. This reflects the informal nature of our service as a free alternative to the courts.

I'm also very aware that Mx C has questioned our process for referring issues to the FCA. This relates to the actions of the Financial Ombudsman Service, not the merits of their complaint against Lloyds. As my decision is only dealing with the actions of Lloyds, I won't be commenting on our process here.

I can also see Mx C has asked whether accepting our initial findings would prejudice their ability to take legal action against Lloyds. If Mx C accepts this final decision it would be binding on both them and the bank. As such, it would affect Mx C being able to take any further legal action. If they reject my decision and are thinking about taking further action against Lloyds, I suggest they seek their own legal advice.

I'll now turn to the merits of this complaint. I'm required to reach my decision by reference to what is, in my opinion, fair and reasonable. When thinking about this, I'm required to take into account – amongst other things – relevant law. Here, relevant law includes the Equality Act 2010.

It's not for me to decide if Lloyds has breached this act. That would be for a court to decide. But what I can decide is if the bank has treated Mx C fairly and reasonably. I'm satisfied Lloyds didn't treat them fairly and reasonably as the bank's systems wouldn't allow them to open an account over the phone due to their title of Mx. Lloyds accepts its system limitations and has apologised to Mx C for this. It's not within my remit to tell Lloyds what systems it should have or to tell the bank to make changes to its existing systems. That's an internal matter for Lloyds.

But I would note that the FCA defines vulnerable customers as someone who, due to their personal circumstances, are especially susceptible to detriment, particularly when a firm isn't acting with appropriate levels of care. Mx C, with the problems they've had with the use of the title Mx and also their borderline dyslexia, could be covered by this definition.

As such, the FCA's guidance for firms on the fair treatment of vulnerable customers would be relevant. Again, in very general terms, the guidance says firms such as Lloyds should deliver appropriate customer service that responds flexibly to the needs of vulnerable consumers and put in place systems and processes that support the delivery of good customer service.

I'm pleased to see Lloyds has raised this system limitation internally, so others don't experience the same issue. But the bank isn't able to provide a date for when this change might be made. Again, it's not within my remit to tell Lloyds when it must do this by. I know the outcome Mx C wants is for Lloyds to change its systems so those with the title Mx can open bank accounts over the phone just like anybody else. But as I've just explained, I'm unable to direct the bank to do this.

But what I can do is look at the upset this has caused to Mx C. I do appreciate the distress this situation has caused them, and also their continued frustration that Lloyds hasn't changed its systems. I really can see how strongly they feel about this matter. With this in mind, while I can see Lloyds has already paid Mx C £150, I don't think this goes far enough. In the individual circumstances of this complaint, given the upset Mx C has experienced and their strength of feeling, I'm satisfied it would be fair and reasonable for Lloyds to pay a further £150 on top of the amount it's already paid.

As I've said previously, Lloyds has been unable to provide an indicative date as to when its systems will be upgraded to remove this limitation. I can't instruct Lloyds to resolve the

problem by a certain date. However, I think it would be fair and reasonable to expect Lloyds to have taken action to resolve the issue within 12 months of the date of this decision. As such, the compensation I've awarded in this case reflects my expectation that Mx C will not experience distress or inconvenience in relation to this matter beyond a further 12 months. Should the issue remain unresolved after this time has passed, if Mx C remains unhappy they may wish to raise a further complaint with Lloyds.

My final decision

My final decision is Lloyds Bank PLC should pay Mx C a further £150.

This final decision marks the end of the Financial Ombudsman Service's review of this complaint. This means we are unable to consider the merits of it any further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mx C to accept or reject my decision before 6 September 2022.

John Miles

Ombudsman