

The complaint

Mrs R complains that Lloyds Bank PLC made an error which changed the name on her personal accounts she held with them, to her husband's name.

What happened

Mrs R has a current account, savings account and credit card in her name with Lloyds. She took out a home insurance policy with her husband, but she noticed both applicants under the policy were showing under her name, so she notified them and told them that the second applicant should be in her husband's name. They said they would make the changes and send her a revised policy.

Mrs R says that she received an email on 17 May 2021 from Lloyds about her credit card regarding a change of name, but this was addressed to her husband. She says days later, he received a Lloyds credit card which contained the same card details (apart from the name on the card) as Mrs R's card. She said they also changed the other accounts to her husband's name. She tried to contact Lloyds to speak to them about this, but they wanted to speak to her husband, since the accounts were now in his name and they were told they needed to go into the branch to sort out the issue.

Mrs R says that she and her husband had to make several visits to the branch, even taking time off work to resolve the situation and she couldn't access her online banking to make payments, which resulted in her having to visit the branch to do this. She had to change her user identification and other online security measures as her original details didn't work. She says the branch staff didn't change all of her accounts back into her name which meant she needed to go back to the branch a week later. Mrs R made a complaint to Lloyds.

Lloyds upheld Mrs R's complaint and apologised. They said the accounts had now been changed back to her name and sent her a cheque for £200. Mrs R brought her complaint to our service as she feels the compensation doesn't reflect the stress she went through.

Our adjudicator upheld Mrs R's complaint. She said the issue started in May 2021. So this matter should've been resolved when both Mrs R and her husband visited the branch on 12th June 2021, with their correct identification. She said Mrs R and her husband were going back and forth unnecessarily and the advisor should've taken the responsibility to follow this up when they met with her on 12th June. She said while Mrs R said that she was busy in the month of July due to work commitments, this matter could've been resolved much sooner. She said a total of £300 compensation should be paid for what happened. Mrs R asked for an Ombudsman to review her complaint. She said that the undisputed fact is that she suffered undue stress and anxiety due to Lloyds' actions.

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.

It's clear to me that Lloyds have let Mrs R down here. They made an error which had a wider

impact in changing her name on her sole accounts to her husband's name. She was unable to access her online banking because of this and I've listened to a call where the call handler wasn't able to resolve this for her. So I can understand the distress and inconvenience that Mrs R has endured, through no fault of her own.

She has had to make multiple trips to the branch. I understand that there may have been occasions where Lloyds weren't able to progress matters such as Mrs R's husband not having the required identification when they visited the branch, and that things were delayed due to work commitments for Mrs R. But this shouldn't take away from the crux of what happened here.

When considering the amount of compensation, I need to take into account the impact the errors reasonably would've had on the complainant. Our rules only allow us to award compensation to the complainant themselves, so I can't factor into my decision any inconvenience or distress these events had on Mrs R's husband, only Mrs R herself.

I'm satisfied that what happened would be distressing. Mrs R in effect lost control of her own accounts, her credit card in her name was replaced in the name of her husband with the same card details as her own, she was unable to access her online banking with her own credentials, and she's detailed this meant she had to visit the branch to ensure bills were paid. So not only would she be distressed by what happened here, she was also inconvenienced by having to visit the branch on multiple occasions to resolve this.

So I've considered what compensation would be fair and reasonable here. I know Mrs R feels that a total of £300 compensation is not enough for the stress and anxiety she has went through as a result of Lloyds' actions. But compensation is a discretionary remedy that we sometimes award if we feel that a business has acted wrongfully and therefore caused distress and inconvenience to their customer over and above that which naturally flows from the event. When we recommend compensation, it is often modest and within our established guidelines.

I'm persuaded £300 is fair for what happened here, and I'm persuaded that it recognises the impact of the distress and inconvenience that Mrs R will have suffered as a result of Lloyds' error. I'm satisfied that this recognises that Mrs R has had to visit the branch on several occasions and the phone calls she made to Lloyds to get this issue resolved, not to mention the distress she will have experienced on more than one occasion. I'm aware that Lloyds have previously issued a cheque for £200. It appears Mrs R hasn't deposited this cheque. If she didn't, then the cheque will have likely expired and a new cheque/payment will need to be issued. So it follows I'll be asking Lloyds to put things right.

Putting things right

Our adjudicator has suggested that Lloyds pays Mrs R a total of £300 compensation (which includes the £200 cheque that had been offered), which I think is fair in the circumstances. I'm persuaded this reflects the impact on Mrs R for the impact of the errors that Lloyds made.

My final decision

I uphold this complaint. Lloyds Bank PLC should pay Mrs R an extra £100 compensation to total £300 if she has already deposited the cheque. If she hasn't deposited the cheque, Lloyds should cancel the original cheque and they should pay Mrs R £300 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or

reject my decision before 16 January 2023.

Gregory Sloanes
Ombudsman