

The complaint

Mr K is a sole trader. He complains that Lloyds Bank Plc didn't transfer some accounts as he expected, which impacted his business.

What happened

Mr K told us:

- He had previously opened several executor accounts with Lloyds. He would make an appointment in branch, open a personal account in his name, then send documents to Lloyds' bereavement team who would 'convert' the account into an executor account. He would then pay the estate funds into the account and Grant of Probate would be provided at a later date when the funds needed to be withdrawn.
- In June 2021, he called Lloyds to book an appointment to open several accounts but was told he now didn't need an appointment. Instead, he could open a personal account online, bring the required documents into branch to be sent off and then account would be converted.
- In November 2021, he went to his local Lloyds branch with the documents as advised in the call in June. He was told – he believes incorrectly – that he needed to make an appointment to open the accounts as per the bank's procedure and provide a copy of the Grant of Probate.
- He believed the branch manager was lying and being deliberately obstructive. The regional manager was in the branch when he was there and said he was correct in his interpretation of the account opening procedure. He later spoke to a specialist in the branch who confirmed what the branch manager had said, which he believed had been instigated by the branch manager.
- Lloyds had delayed opening the executor accounts. He'd opened the personal accounts online and provided the supporting documents to the branch. However, when he'd spoken to the bereavement team said they hadn't received the document she'd provided in branch which were needed to convert the accounts to executor accounts.
- He wasn't happy with Lloyds staff who had been rude and the bank's overall complaint handling process as it hadn't contacted him as requested.

Lloyds told us:

- It wasn't an agreed bank procedure to open an account as a personal account and convert it to an executor account – although it acknowledged this may have happened during the Covid pandemic (Covid) to assist customer whilst restrictions were being eased.

- It wasn't able to open an executor account for Mr K without an appointment in branch as he didn't hold a Grant of Probate. The branch had told Mr K the correct procedure to open an executor account and it was happy to arrange an appointment to open the account for him once he had the correct documentation.
- It apologised to Mr K that he was given the wrong information when he called its bereavement unit - but didn't think it was responsible for any delays in opening the accounts as Mr K had been given the correct information prior to this call.

Our investigator didn't recommend the complaint be upheld. She said:

- There was a standard process for opening accounts in June 2020. This was as Mr K described, opening the account in branch, and then sending the documents to the bereavement team to change this to an executor account. The Grant of Probate could then be sent at a later date which would allow any funds to be withdrawn. This was also the process in November 2021.
- During Covid Lloyds had changed its process to limit customers going to the branch. This meant that as an exception during that time, accounts could be opened over the phone if the Grant of Probate had already been granted and seen in branch. If it hadn't yet been granted, customers would need to follow the standard process and open an account in branch.
- The change in process hadn't been documented which may have led to miscommunication in June 2021 between the bank and Mr K, that he could only apply using the exceptions process if the Grant of Probate was already held. And although Mr K was able to open accounts online, these were personal accounts only. Mr K still needed to go to the branch to change these to executor accounts as he didn't hold the Grant of Probate when he'd opened the accounts.
- She was satisfied Mr K had been given the correct information about the executor account opening process in November 2021. And she wasn't persuaded that the regional manager told Mr K his interpretation of the bank's process was correct. So she didn't think there had been any delays in opening the executor accounts as Mr K hadn't actually attempted to open an account prior to November 2021.
- She hadn't seen any evidence that Lloyds staff had behaved in an unreasonable manner, and she couldn't look at how the bank had dealt with Mr K's complaint as this wasn't an activity we cover.

Mr K didn't agree. He said:

- He'd gone to the branch in November just to drop off the documents required as he'd been told to do in June.
- The regional manager had said he would get the branch manager to open the accounts – which had been done previously but due to malicious actions didn't happen on this occasion.
- He didn't think the investigator had fully considered the call recordings he'd provided which proved his interpretation of the bank's process was correct.
- He was unhappy that as part of his complaint, he had asked for copies of the handwritten notes about his complaint which had been taken by branch staff. As

these hadn't been provided as requested, this was a GDPR breach which hadn't been considered.

As an agreement couldn't be reached, the case was passed to me to decide. I issued a provisional decision on 2 February 2023. I said the following:

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 in part. I know Mr K will be disappointed with my decision, but I'll explain how I've reached this. Mr K has provided lots of information including numerous calls and I've taken everything into account, if I don't directly reference something in my decision it is not because I haven't considered it. But I've focused on what I consider to be the crux of the complaint.

Mr K says that when he visited the branch in November 2021, he was incorrectly told by the branch manager that he couldn't open an executor account without a Grant of Probate. He says this was incorrect as he had followed this process previously and opened several executor accounts in this way. But I'm not persuaded that's the case here.

I've looked at all the evidence from both parties and I do think there was an element of miscommunication here between Mr K, the branch manager and the bank's executor team. I've looked at Lloyds process which says that an executor account can only be opened in branch by an 'accredited account opener'. Based on the evidence available, the branch manager was correct when she told Mr K, he wasn't able to open the account in the way he wanted, and may have previously done, so I don't think the bank did anything wrong here by telling Mr K this was the agreed process.

Mr K told had previously opened the executor accounts in the way he described. He says he opened the account in his own name as a personal account and then the account was 'converted' to an executor account by providing the required documentation – excluding the Grant of Probate as he didn't need to distribute any funds at the time the account was opened.

I've listened to the call between Mr K and Lloyds bereavement team, so I understand why Mr K says this was a process that the bank could follow. It also appears to have been a process used by the bank whilst Covid restrictions were in place to reduce number of branch appointments required. I say this because whilst Lloyds hasn't been able to provide a copy of the call with Mr K in June 2021, the bereavement team say that a personal account can be amended in this way if the branch sends over certified copies of the documentation.

Lloyds has told us that this isn't a recognised process, and that Mr K was given incorrect information when he spoke to the executor team. So I think it's reasonable this led to confusion when Mr K went into the branch with the documents which needed to be sent to the bereavement team. At this point as far as Mr K was concerned, the accounts were already open, it was simply a matter of changing the type of personal account he held. So I think Mr K was caused inconvenience by Lloyds from being given the incorrect information.

I recognise Mr K believes that the branch manager was rude and has been deliberately obstructive when he's been attempting to open the executor accounts. However, I'm not persuaded that's the case. Throughout all the calls with the bank,

Mr K has been clear about his feelings towards the branch manager, and I think it's entirely possible there was a clash here which neither party was able to resolve.

Mr K is adamant that he provided the documents required to convert the personal accounts in branch as per his conversation with the bereavement team – and I have no reason to doubt this is the case. Lloyds has been unable to confirm what happened to the documentation or why this wasn't sent to the bereavement team as requested, so I can see why this caused Mr K frustration and led to further inconvenience.

Mr K told us he was trying to open three executor accounts which have been delayed by the bank's actions. But I don't agree. It wasn't until February 2022 that Mr K told Lloyds that he wanted to open the third executor account. Regardless of the issues Mr K had experienced with the two accounts he wanted converted previously, the correct account opening process had been confirmed to him in November 2021 so he would have been aware of what he needed to do to open the accounts from this point but chose not to do so.

I acknowledge Mr K is frustrated by what he perceives to be Lloyds' incorrect executor account opening process. However, this is a commercial decision that the bank has taken and it's not for this service to say it isn't able to do this. I've seen that the bank has told Mr K on several occasions that this is the process for all customers, so I don't think the third account opening was delayed by the bank.

Mr K is unhappy that he hasn't been provided with a copy of the handwritten notes when his complaint was raised. But I don't think it's unreasonable that the information he has requested isn't available in the original format due to the time that has passed. I also think on the balance of probability it's likely the handwritten notes were added to the bank's electronic system before being destroyed – but I can't say for sure as I'm unaware of exactly what was written down. I'm also unable to comment on why the information Mr K was provided was redacted. If Mr K is unhappy with the information he was given, he would need to raise this directly with the Information Commissioner's Office (the ICO).

However, I do think Mr K was given incorrect information by Lloyds and caused inconvenience because the documents he provided to be sent to the bereavement team couldn't be located. Even if these documents couldn't be used to amend the existing personal accounts, they could have been used to open the executor accounts in branch when Mr K was able to make an appointment. Therefore I think Lloyds should pay Mr K £150 compensation for the distress and inconvenience caused by the bank's errors.

I invited Mr K and Lloyds to give me any more evidence and information they wanted me to consider before issuing my final decision. Lloyds accepted the decision and had nothing further to add. Mr K didn't agree. He said in summary:

- The recommended compensation for the inconvenience he'd been caused was disproportionate taking into consideration the time this service had taken to investigate his complaint.
- There was an account holding a significant amount of funds, which he couldn't use to settle estate liabilities due to the bank's failings and integrity of its staff. This left him exposed to legal action from his clients.

- There has been a systemic failure here which the decision doesn't focus on, yet it should, to ensure Lloyds should make changes – where necessary involving the regulator.
- The decision has failed to put in place sanctions for the GDPR failings, and it is of no relevance if the complaint records are held on paper or electronically. The focus should be what was agreed with the bank and how the documents differ in what was provided.

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 have come to the same conclusions as I did in my provisional decision, for the same reasons. I now confirm those provisional conclusions as final.

Mr K says that the provisional decision hasn't focussed on the systemic failures of Lloyds and where necessary the regulator should become involved. However, this service isn't the regulator, that's the role of the Financial Conduct Authority (FCA). If Mr K has concerns about what he believes to be the bank's systemic failures, he can raise this with the FCA directly. The role of this service is to assist on resolving individual disputes, not look at the wider issues a complainant may feel are taking place. The data on the types of complaint we see about Lloyds is provided to the FCA and it's the regulator's decision on whether or not to take action against the bank.

Mr K feels that it shouldn't matter what format the complaints records were in, and that clear actions were agreed by the bank. But I'm not persuaded that's the case. The provisional decision specifically refers to Lloyds' written complaint records as this was highlighted as a key complaint issue by Mr K throughout his correspondence with the bank and this service. I acknowledge Mr K says that Lloyds agreed to provide the written notes of his complaint discussion - however I haven't seen any evidence this was the case so I can't reasonably say the bank did something wrong here.

Mr K has also said that there was no miscommunication regarding the bank's process, and that he wasn't told that the actions to open the accounts as requested were incorrect. As I wasn't present at this meeting, I have to consider the evidence I have been provided by the parties to support their version of events. As both parties don't agree on what was said, I think it's more likely that there was a miscommunication here. But in any event, the bank did confirm its process in November 2021, so Mr K could have opened the accounts he required from this point but has decided not to do so. I can't reasonably hold Lloyds responsible for Mr K's decision and any consequences with his clients that arise as a result.

Mr K also says that the provisional decision doesn't cover the GDPR concerns that he has raised, but I don't agree. This was considered and the inconvenience of the documents being lost was considered as part of the compensation award. However, as mentioned in the provisional decision, if Mr K has concerns about the actions taken with the documents he gave to the branch and the subject access request information he received, he would need to raise this with the ICO. I have considered all the information which both parties were given the opportunity to provide and made my decision on that basis.

Mr K says that he wants another ombudsman to review his complaint as he isn't satisfied with the provisional decision, but that's not how our service works. We have a two-stage process which was explained to Mr K at the outset. His complaint has already been reviewed

by an investigator before being referred to myself, and this is the final stage in our process. If he disagrees with my final decision, he may choose not to accept it. In that case, it would not be legally binding and any legal rights he may have to pursue the matter through the courts would be unaffected.

I acknowledge Mr K is unhappy with the compensation I have recommended due to the inconvenience he's been caused. However, as a service we don't award compensation for bringing a complaint to this service, or for the time taken for this service to investigate the complaint if this didn't cause detriment to the complainant. In this case I can see that Mr K was told the correct process to follow by Lloyds in November 2021, three months before he brought the complaint to this service, so I'm not persuaded there was an impact to him here. Mr K also hadn't actually attempted to open an account until November 2021, so I'm not persuaded there was a delay caused by Lloyds. So the compensation I have awarded is for the inconvenience caused by the incorrect information Mr K was given and having to replace the documents which the Lloyds branch have been unable to locate.

So whilst I have considered Mr K's comments, my decision remains the same, in that Lloyds should pay him £150 compensation.

My final decision

My final decision is that I uphold this complaint. I instruct Lloyds Bank Plc to pay Mr K £150 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 17 March 2023.

Jenny Lomax
Ombudsman