

The complaint

E complains about delays by Lloyds Bank PLC following an application to open a business bank account.

What happened

On 13 March 2022 E's director, Mr S, applied for a business account with Lloyds. Lloyds has explained it needed certified documents to complete the application process and sent Mr S notification of what he needed to provide. The documents were uploaded to Lloyds' online system on 16 May 2022 but rejected when the application was processed.

Mr S submitted documents on E's behalf again in June 2022 but, again, they were rejected by Lloyds. In August 2022 Mr S again submitted documents to Lloyds but it later confirmed the verification documents supplied in his name couldn't be used as they were from a bank account within the Lloyds Banking Group. Mr S was able to submit acceptable documents to Lloyds and his account was opened on 20 September 2022.

Mr S had complained to Lloyds about the delays and lack of progress. Mr S explains he was promised his application would be treated as urgent but little progress was made. Lloyds issued a final response on 21 September 2022 and upheld E's complaint, awarding £40 compensation for the delay.

An investigator at this service looked at E's complaint. We asked Lloyds to submit its case file. Within the case submission, Lloyds said it had taken the opportunity to review E's complaint again and wanted to make an increased offer of £300 to resolve the complaint. Lloyds also gave a more detailed explanation concerning the cause of the delay and explained that whilst the documents Mr S submitted weren't acceptable for account opening purposes, no one had told him so he could make other arrangements.

The investigator thought Lloyds' offer was a fair way to resolve E's complaint. On E's behalf, Mr S asked to appeal. Mr S said E was a start-up company and that he had a projected turnover of £75,000 a month with a net profit of £7,500 a month. Mr S explained that because of the delay in opening a business account, E had been unable to earn the expected income and that it had suffered a serious financial loss. Mr S also explained he'd had to cancel plans for a business trip abroad which had led to further losses. As Mr S asked to appeal E's complaint, it's been passed to me to make a 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.

I'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've

focused on what I think are the key issues. My approach is in line with the rules we operate under.

All parties agree that there were delays in opening E's business account. Lloyds says it aims to open an account within six weeks of receiving all the relevant information. I can see that in March 2022 Lloyds contacted Mr S on E's behalf and asked him to submit verification documents. The first attempt to submit those documents was on 17 May 2022 and, had everything gone smoothly, Lloyds says E's account would've been opened around six weeks later. That means the earliest point Lloyds would've been able to open an account for E was around 28 June 2022.

It's clear that something went wrong at Lloyds as despite submitting what Mr S believed were acceptable documents, the application wasn't approved. I agree that Lloyds ought to have told Mr S exactly what was wrong with the documents he'd submitted on 17 May 2022 instead of responding with a generic message. I'm satisfied that, had it done so, the account would've been opened sooner.

I need to decide how to resolve E's complaint and whether the existing offer of £300 is fair. Mr S has told us E had a projected monthly income of £75,000 and net profit of £7,500. I understand E's ability to trade was likely impacted by Lloyds' delays. But whilst Mr S has told us about E's projections, I've also looked at the business bank statements from September 2022 onwards. The statements don't show revenue in line with the projections Mr S has told us about. I'm sorry to disappoint Mr S but I haven't been persuaded the evidence available supports a further award to cover the losses requested.

I've read and considered all the available evidence and paid particular attention to what Mr S has told us about the nature of E's losses. Whilst I agree there were unreasonable delays when processing E's business bank account application, I'm satisfied a payment of £300 for the inconvenience caused is a fair way to resolve its complaint. As I've said above, I haven't found grounds to award further compensation in this case..

My final decision

My decision is that Lloyds Bank PLC should pay E £300.

Under the rules of the Financial Ombudsman Service, I'm required to ask E to accept or reject my decision before 16 June 2023.

Marco Manente
Ombudsman