

The complaint

Mrs V is unhappy that Tesco Personal Finance PLC (trading as Tesco Bank) can't record her surname properly and this has caused problems, including delays every time she opens a new account.

What happened

The circumstances that led to this complaint are well known to both parties, so I won't repeat them in detail here. But, in summary:

- Mrs V has had a banking relationship with Tesco Bank since 2009. In 2011, when it ended its relationship with a high street bank and became a bank in its own right, Tesco Bank changed its operating system. The new system allows surnames of not more than 20 characters to be entered. Mrs V's surname consists of two names which are longer than 20 characters, so the bank chose to store only the second part of her surname. Mrs V says this has caused problems and delays, specifically when she opened new savings accounts in 2019, 2021 and 2022.
- Tesco Bank has awarded £50 compensation to recognise that two of Mrs V's accounts took longer than usual to open. And £150 compensation by way of an apology for sending a final response letter, which was intended for Mrs V, to someone else. But Mrs V remained unhappy and referred the matter to this service.
- Our investigator recommended that Tesco Bank should pay an additional £200 compensation given how many times the limitations with the bank's systems and Mrs V's surname had unreasonably impacted her. Mrs V accepted this, but Tesco Bank did not. So the complaint has come to me.

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 reached the same outcome as the investigator, for much the same reasons.

The bank says the reason it has elected to have a 20-character limit for surnames is because this is the maximum that can be embossed on its credit cards. I've seen nothing which suggests Mrs V has ever held a credit card with Tesco Bank. But I assume the bank uses one operating system for all of the products it offers – so that would include the savings accounts that Mrs V has held over the years, as well as credit card accounts held by other customers,

In the circumstances, I can't fairly tell Tesco Bank it ought to expand the character limit and I don't think having such a limit amounts to discrimination in the way Mrs V seems to have suggested. But I do appreciate her concern that the bank held her full surname at the point when their relationship began and the problems she's experienced since then only started

when (and because) Tesco Bank changed its operating system in 2009 and failed to record her full surname.

It appears the issue with Mrs V's surname means that the standard checks which are performed at account opening end up taking between one and three weeks, instead of the usual 48 to 72 hours. And Mrs V has sometimes had to provide additional documentation to prove her identity when the bank ought to have held this information already, given what it knew when the relationship started in 2009.

I think Tesco Bank ought to have foreseen that recording only the second half of Mrs V's surname would likely cause identification problems. Accordingly, it ought to have put in place a workaround, back in 2011, to address its system's limitations so that Mrs V could continue to operate her account, and open new ones, in the same way that any other customer would. This might, for example, have included recording the first part of her surname in the middle name filed on its system.

Mrs V says she's now closed all of her accounts with Tesco Bank because of the frustration it's caused her over the years. So we're dealing with an historic and finite issue now.

In all the circumstances of the complaint, I think an additional award of £200 (when combined with the compensation already paid) is fair and reasonable to recognise the ongoing inconvenience and frustration Mrs V has been caused over the years.

My final decision

My final decision is that Tesco Personal Finance PLC (trading as Tesco Bank) should pay a further £200 compensation to Mrs V. It should do so within 28 days of the date on which we tell it that Mrs V accepts my final decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs V to accept or reject my decision before 2 November 2023.

Ruth Hersey
Ombudsman