

The complaint

Mr P complains Lloyds Bank PLC won't pay him an incentive for switching his account.

What happened

Mr P applied for a Lloyds account on 3 November 2022 and asked for a switch to be completed at the same time. Lloyds contacted Mr P on 15 November 2022 to say the switch couldn't be progressed.

Mr P visited a branch and completed his application, there was a problem with his address. Mr P was then told his switch had been cancelled.

Mr P complained to Lloyds, and it said he'd missed the cut off for the switch incentive. Lloyds paid Mr P £15 to apologise for this and Mr P accepted the offer.

Mr P then checked his credit report and saw Lloyds had started the application on 3 November 2022, so he complained again. Lloyds replied to say Mr P's account was opened on 15 November 2022 and he missed the cut off date of 14 November 2022.

And Lloyds said Mr P's switch had been cancelled, so he'd never have qualified for the £150 incentive payment. Lloyds didn't agree to pay the £150 or amend Mr P's credit file.

Mr P brought his complaint to this service and an investigator looked into things and didn't think Mr P's complaint should be upheld. The investigator said Mr P's address was incorrect so Lloyds couldn't open Mr P's account until he visited the branch.

And since Mr P visited the branch on 15 November 2022, after the switch incentive ended, he was too late to qualify for the £150.

Mr P disagreed with this outcome. Mr P said he'd never made a mistake with address before so didn't believe he'd made one here. Mr P also said Lloyds should have opened his account sooner, and then he'd have qualified for the incentive.

My provisional decision

I issued a provisional decision, and in it I said:

I'm satisfied Mr P applied for his Lloyds account on 3 November 2022, he's sent in a credit report which shows a search by Lloyds on that date. I'm also satisfied Mr P made a mistake in his address, I don't think Lloyds changed the application address.

I don't think Lloyds could open Mr P's account on 3 November 2022, Mr P's application had an incorrect house number. Mr P asked for a switch to be completed on 4 November 2022, but this couldn't happen as his account couldn't be opened.

I don't think Lloyds was wrong to pause Mr P's account application or switch.

But it doesn't appear Lloyds contacted Mr P about his application until 15 November 2022. When it did, Mr P visited the branch the same day, updated his address correctly and completed the application.

Lloyds has said even if Mr P opened his account sooner the switch was cancelled so he'd never have qualified for the incentive. But it appears Lloyds cancelled the switch, not Mr P.

I accept Mr P entered a switch date of 4 November, and this would likely always have been in the past as Mr P's account couldn't be opened the same day.

But Lloyds has sent in some evidence to support the cancellation, and its notes say ".....start date in the past. If customer calls, please, re key."

This suggests Lloyd could change the switch date, so I don't think the switch date being in the past meant Mr P would never have qualified for the switch.

I think if Mr P had opened his account sooner, he'd have qualified for the switch. And I think the reason for Mr P taking so long to open the account is because Lloyds didn't contact him sooner to say there was a problem with the application.

Had Lloyds contacted Mr P sooner than 15 November 2022 I'm satisfied he'd have quickly sorted the incorrect address and fully completed the application. When Mr P found about the problem, on 15 November, he went to the branch the same day.

And since Mr P missed the incentive cut off by one day, had Lloyds contacted Mr P sooner I'm satisfied he'd have opened the account before or on 14 November 2022.

There doesn't seem to be any other account related qualifying criteria for the incentive, such as a specific number of payments out or a specific balance to maintain. I'm persuaded Mr P would have qualified for the incentive had Lloyds contacted him sooner.

The only criteria which could apply is paying Mr P a previous incentive since April 2020 or Mr P (or someone on his account) being an employee of Lloyds. If Lloyds think either of these disqualifying criteria apply it should let me know.

Otherwise, I think Lloyds was too slow in contacting Mr P about his account application and this meant he couldn't qualify for the incentive.

Because of this, I think Lloyds needs to pay Mr P the £150 incentive he should have received and 8% simple interest from the date he'd have received the payment, taking 14 November 2022 as the account opening date, to the date of settlement.

I don't think Lloyds needs to change Mr P's credit file. There's no dispute Mr P applied for the account, and it was opened, albeit after the cut off date for the incentive.

The recording on Mr P's credit file is an accurate representation of what happened, so I don't think it needs to be removed.

Responses to my provisional decision

Mr P accepted my provisional decision.

Lloyds said it had nothing further to add.

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.

Since neither party had anything extra to add, my final decision is unchanged from my provisional decision.

My final decision

My final decision is I uphold this complaint and Lloyds Bank PLC should:

- pay Mr P £150
- pay Mr P 8% simple interest per year on this amount from the date he should have been paid it, taking 14 November 2022 as the account opening date, to the date of settlement

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 19 February 2024.

Chris Russ
Ombudsman