

The complaint

D complains about systems issues that have impacted the operation and services available on its Lloyds Bank PLC business bank account.

What happened

D has held a business bank account with Lloyds for several years and also operates another business bank account with Bank of Scotland. Both businesses operate as part of the same group of companies but are separate legal entities. Over the years, Mr H, D's director, has raised various complaints with Lloyds on its behalf about problems using the business bank account.

There have been multiple issues, including problems using D's telephone banking password, accessing secret information, account text messages ceasing and using faster payments to transfer funds from the business account. Mr H has raised various complaints with Lloyds about the account access issues over the years, going back to 2018. Lloyds has investigated D's complaints and upheld them on numerous occasions.

During Lloyds' investigation of D's complaints, it looked at the technical issues that impacted its business bank account. Lloyds has explained that because D operates another business bank account with Bank of Scotland that shares systems and a banking platform, the technical problems can't be resolved. Lloyds says that the way the system operates means it attempts to merge D's accounts and profiles and deletes certain information. Lloyds says that's most likely the cause of the problems D has faced.

In addition, Lloyds says that whilst it accepts its systems are the root cause of the problem, it's unable to fix the issues. Lloyds has confirmed it has exhausted its attempts to resolve the problems without success. Lloyds has suggested that if Mr H closes one of D's accounts, the systems problems experienced to date are likely to be resolved.

Mr H referred D's complaint to the Financial Ombudsman Service and it was passed to an investigator. Mr H explained that he wanted us to consider both of D's complaints as one case. D's complaint about Lloyds was passed to an investigator. They thought Lloyds had made reasonable attempts to resolve the technical issues without success.

The investigator also thought Lloyds had paid a fair level of compensation in recognition of the inconvenience caused. Mr H asked to appeal and explained he was concerned about arranging new banking facilities for D. Mr H also said he wanted Lloyds to resolve the underlying systems issues so D could operate both accounts as advertised. As Mr H asked to appeal D'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 realise I've been brief in setting out the background above as all parties broadly agree concerning the timeline for D's complaint and what's happened. I'm not going to comment on every point raised in this decision. No discourtesy is intended by my approach which is in line with the informal nature of the Financial Ombudsman Service. If I don't specifically comment on something it isn't because I haven't considered it – I have. It's because I'm going to focus on what I think are the key issues of D's complaint.

In his submissions, Mr H has explained that he feels both cases should be dealt with as one complaint. But whilst Lloyds and Bank of Scotland form part of the same group of businesses, they're separate legal entities. We have no powers to investigate a complaint about two businesses in one case. And whilst I note Mr H's comments, I'm satisfied that I can reach a fair decision about Lloyds' actions in this decision.

Lloyds accepts there are ongoing and longstanding systems problems that impact D's business bank account. It's clear D's business bank account doesn't operate with the full facilities available to other business customers and that it's been inconvenienced as a result. Lloyds has issued final responses going back to 2018, upholding complaints D has made. I can see there have been multiple problems with the telephone banking password, secret information held to access the account and lack of the faster payment service to D, to name some of the issues experienced.

I'd expect Lloyds to do everything reasonably possible to investigate and resolve the systems issues D has experienced. And it's clear from the information provided that Lloyds has tried to resolve these problems on multiple occasions by referring D's account to its technical teams for investigation. The end result has been that Lloyds' more recent final responses explained that whilst both accounts remain open, the problems D has experienced will persist. Lloyds has confirmed the issues can't be resolved whilst both accounts remain open.

Lloyds recommended one of the accounts D operates is closed which will mean its systems no longer attempt to merge account or profile information. I appreciate that will cause D a reasonable level of inconvenience, but I'm satisfied Lloyds has attempted as to resolve the problems as far as possible and ultimately been unsuccessful.

Mr H has explained he's concerned about making new banking arrangements for D. And I understand why Mr H is reluctant to close one of D's accounts. But as Lloyds has explained it can't fix the systems problems D's experienced, I leave it to Mr H to decide what steps to take going forward in terms of the open accounts in D's name.

I've looked at the various final responses Lloyds has issued and can see it's paid at least £675 since 2018 concerning the difficulties D has faced. Whilst I don't doubt how inconvenient the issues raised have been, I'm satisfied that Lloyds has investigated and agreed a fair level of compensation. As I'm satisfied Lloyds has investigated D's systems issues and agreed a settlement that is fair and reasonable in all the circumstances, I'm not telling it to take any further action.

My final decision

My decision is that Lloyds Bank PLC has already agreed a settlement that is fair and reasonable in all the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask D to accept or reject my decision before 14 March 2024.

Marco Manente
Ombudsman