

The complaint

Mr T complains that Bank of Scotland Plc, trading as Halifax, would not accept his application for a savings account due to his not having a photographic driving licence as ID.

What happened

Mr T applied for a savings account with Halifax. He was asked to go to a branch to complete the application. Once there, Halifax told him it couldn't accept the identity information he had brought with him as it was outside of what it considers acceptable verification.

Halifax had sent Mr T an email outlining what it considered to be acceptable identification and included in this list was "current UK non-photo driving license". Unfortunately, this was incorrect information and shouldn't have been on the list of acceptable identification.

Mr T complained to Halifax that he'd complied with the identity information set out in its email about account opening. He said Halifax had discriminated against him by not accepting the identification he provided.

Halifax apologised to Mr T for its poor service and sent £100 compensation. It said it stopped accepting non-photo driving licenses for identification purposes in 2018 and this shouldn't be on the email. Halifax said it can't offer an account with the identification Mr T provided and the branch were correct to state this. Halifax said it wasn't intending to discriminate against Mr T and understood the frustration he had been caused.

Mr T wasn't satisfied with Halifax's response and referred his complaint to our service, but our investigator didn't recommend it be upheld as he thought Halifax's response was fair. He said to verify identity Halifax require one original document and one for address, but Mr T brought an expired passport, a non-photo driving license, a bank statement, and a work ID. He said Halifax's email said a non-photo driving license was sufficient but has acknowledged this was a mistake and out of date. Despite this, the investigator said Halifax correctly refused the expired passport and work ID as it's clear from the email these aren't accepted.

The investigator said Halifax couldn't open accounts without the specific documents within its policy and had to ask Mr T to come back with these documents. He said Halifax has a strict identification policy which we can't scrutinise as this is only something the regulator can do. He said we can only look at whether they have followed their policy, which they have.

Mr T wasn't satisfied and requested an ombudsman review his complaint. He said he is sick of organisations promoting their customer friendly attitude, when deep down they 'couldn't give a damn about their customers'. He said this had nothing to do with compensation, it's a matter of principle and Halifax can't put this as a minor administrative mistake when it knew what it asked him to provide. He said Halifax's refusal to accept his application needs to be thoroughly investigated, because it's a shameful way to treat a prospective new customer.

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 was sorry to learn that what should have been a straightforward account opening process has turned into a prolonged and frustrating experience for Mr T. Part of my role is to

determine whether what took place was reasonable and whether Halifax followed the process correctly.

I have seen Halifax's policy for the verification of customers' identity and address in respect of opening an account. In declining to accept the documents that Mr T brought to its branch, Halifax acted in line with its policy and so I think this was reasonable.

Mr T's point is that he was informed by Halifax's email about what it would accept by way of documents, only to discover this was inaccurate and out of date. I'm pleased Halifax has apologised to Mr T for its incorrect information and if it hasn't already I hope that Halifax sees this complaint as an opportunity to review the information it provides to customers to ensure it is fully consistent with its policies. It should not take five years to update customer information about its identity verification requirements.

Mr T wants a full and detailed admission from Halifax explaining why the criteria it sent him to confirm his identity, was out of date. Halifax has explained that it acted in error by sending him an outdated notification and apologised to Mr T for using this.

Mr T would like us to penalise Halifax for misleading existing and potential customers with its identity requirements. However, as the investigator has said our role is to resolve complaints. We can't penalise businesses as this is something only the regulator, the Financial Conduct Authority (FCA) can do. It is open to Mr T to contact the FCA about this issue, but he should note that it won't consider individual complaints.

When we consider compensation as part of a complaint we are trying to find an award that fairly and reasonably compensates the consumer for the wrong that has been done. Our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, taking all factors and circumstances of a complaint into consideration.

Halifax's email to Mr T incorrectly stated he could provide a non-photo driving license to prove his identity. The other acceptable documents appear to be correctly listed, but do not include the other documents Mr T brought with him, namely an expired passport and a work ID. I agree with the investigator that Halifax correctly refused these documents as it's clear in the email these aren't accepted. Unfortunately, this meant that the outcome of Mr T's branch visit turned entirely on his driving license.

Having considered the details of what happened to Mr T I don't agree that he has been discriminated against, (Halifax's incorrect email would have been sent to many potential customers), or that he has suffered an infringement of his human rights. Mr T was inconvenienced by the outdated information, which meant he had to make a further visit to Halifax's branch.

I am sorry to learn that this problem has upset Mr T deeply. I agree that he has been caused frustration and inconvenience. I also agree with the investigator that compensation of £100 falls within our guideline for the single email error and having to go back and forth into the branch as a result. Our guidance describes this compensation as fair in respect of, 'repeated small errors or a larger single mistake, requiring a reasonable effort to sort out'.

I realise that Mr T didn't request any compensation from Halifax and that may be why the cheque Halifax sent to Mr T in August 2023 for the compensation hasn't been cashed. This is now out of date, but Halifax has said that if Mr T wishes, a new cheque can be issued, or £100 can be paid directly to an account of his choosing. I recommend that Mr T contacts Halifax to accept this payment of compensation as I think it is fair.

My final decision

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 9 September 2024.

Andrew Fraser
Ombudsman