

The complaint

Mr J complains about the fees he has paid on his share-dealing account with Halifax Share Dealing Limited trading as Lloyds Bank Direct Investments (LBDI). He complains that he has paid the standard fees for more than six years instead of reduced rate fees.

Mr J says he filled in an online form to have an indicator added to his account indicating that he was a member of staff, which would give him reduced fees. However, LBDI didn't apply the staff rate to his share-dealing account, so he has been paying the standard rate.

Mr J says LBDI should refund the difference in fees.

What happened

Mr J took out a share-dealing account with LBDI in 2016. It was taken out online.

Mr J says that he filled in an internal online form many years ago which would add an indicator to his account of his staff status and give him reduced fees as a result.

In 2023 Mr J discovered that he was paying the standard fees on his account rather than the discounted fees, so he complained to LBDI.

LBDI didn't uphold his complaint. It said it was the responsibility of the member of staff to inform LBDI they are a staff member, to enable it to update the account and apply any staff discount. It said this could be achieved by contacting LBDI by telephone or using its WebChat facility.

LBDI said it had communicated the costs and charges applied to its accounts regularly using all its communication channels.

LBDI didn't agree to refund the fees paid by Mr J.

Mr J didn't agree with LBDI and referred his complaint to our service.

He said LBDI is part of a banking group and when he joined a business within that banking group, an indicator should have been added to his account, so that he received staff discounted rates. He said due to a previous instance, where this hadn't happened, he had filled out an online form in order to have the indicator added and he had done so many years ago.

Mr J said he had discovered in December 2023, that he had been paying standard fees on his share-dealing account when he should have been paying reduced fees. So he asked LBDI for a refund.

Mr J disagreed with LBDI that he should have informed it separately and said no other part of the banking group had this requirement.

Our investigator considered Mr J's complaint but didn't think it should be upheld.

Our investigator asked LBDI about the form Mr J had referred to. LBDI said it was unable to locate the form Mr J had indicated that he had completed and submitted, and it was unaware of any form being available for this function. Mr J provided a blank copy of an internal online form and some internal information about the process for obtaining the staff rate and he also indicated the marker had been added in 2018, following another complaint he had made.

The investigator took into account the evidence provided and noted that the indicator had been recently added to Mr J's share-dealing account by LBDI. However, he said the indicator had been added to the account as a result of the notification of staff status during this complaint not because of a former complaint made in 2018. The investigator noted the existence of the internal form but having considered the available evidence he wasn't satisfied on balance that the form had been provided to LBDI.

So the investigator said he wouldn't be asking LBDI to refund any fees.

Mr J disagreed with the investigator and said that a previous complaint made by him showed that the indicator was in place. He also said he felt the fact he knew about the online form and LBDI didn't, demonstrated he was correct about submitting it.

As no agreement could be reached Mr J's complaint was referred to me for review.

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 think it is important to highlight the role of our service here. We are an informal dispute resolution service, and we consider complaints from consumers against financial businesses in their capacity as customers. The relevant relationship for our purposes therefore is the customer/business relationship. We don't consider disputes between employees and employers. So, I can consider whether or not LBDI was provided with information from Mr J, who had opened a share-dealing account online, and whether, *if* I am satisfied the information was provided, LBDI failed to act upon that information. However, I cannot consider Mr J's employer's internal processes for staff or whether it took sufficient steps to ensure he received his staff reduced rates. So, while I have taken into account the representations made by Mr J about the internal processes and a previous complaint, the focus of this decision is the contact between Mr J and LBDI.

Mr J opened his share-dealing account several years ago in 2016 and he opened it online. He doesn't dispute that LBDI is entitled to apply fees to his account and the terms and conditions of the account confirm it is entitled to do so, his complaint is the rate of fees applied to his account has been the standard rate, rather than a reduced staff rate.

I am satisfied that in order to apply a different rate of fees than the standard rate, LBDI would need to be made aware of a justification for doing this and satisfied that the relevant justification applied – which in this case would have been Mr J's status as an employee within the banking group. Mr J made his application online, not through his employer, so I don't think his staff status was something that would have been automatically evident to LBDI when he made the application.

Mr J has explained that he completed an internal online form many years ago, and he has provided a blank template of the form which ask for details such as his staff identification and details identifying the account.

The difficulty here, as outlined by the investigator, is that Mr J doesn't have a copy of a completed form submitted to LBDI, or any evidence of that form or its contents being received and acknowledged by LBDI, and LBDI says it doesn't have any record of any notification from Mr J, whether by form or otherwise, that he was a staff member within the banking group, in relation to this share-dealing account.

I have to reach my conclusion on the basis of whether it is more likely than not, that this form or other notification was received by LBDI from Mr J in respect of his share-dealing account. As, I have said, I cannot consider the internal processes of Mr J's employer and whether or not any application or form was processed properly. That is an employer/employee matter

and outside of my remit. I can only consider whether Mr J, as a consumer opening a share-dealing account with LBDI, provided it with this information, and on the evidence available I am not persuaded that it is more likely than not that he did.

Summary

While I acknowledge Mr J's disappointment as he feels his fees should have been refunded, I am not satisfied on balance that LBDI has acted incorrectly or treated Mr J unfairly in the circumstances.

My final decision

My final decision is that I don't uphold Mr J's complaint against Halifax Share Dealing Limited trading as Lloyds Bank Direct Investments.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 3 April 2025.

Julia Chittenden
Ombudsman