

The complaint

M, a company, complains that Lloyds Bank PLC made errors when dealing with its application for an account.

What happened

A director of M brings this complaint on its behalf. He explains he visited a branch of Lloyds to provide his identification in connection with the application on 14 May 2024. But another individual's data was loaded in error and not removed until 17 May 2024. He had to visit the branch again and speak to the Lloyds' application team. He's concerned at what has happened to the information he gave. He's also unhappy with the service provided and that he and other directors had been sent requests for information when there were no outstanding tasks shown on the application.

Lloyds said that M had started the application in October 2023. It said that taking into account M's structure, it ought then to have told M that its status needed to be updated to a company limited by guarantee. At the time of its final response letter to the complaint dated 31 July 2024 it said its understanding was that M didn't want to do this. Lloyds accepted that it had sent emails in error when there were no tasks for M and its directors on its portal. It also acknowledged that in error information unrelated to M had been loaded to its application by branch staff. Lloyds said it was "*unable to determine*" whether information about M and its director had been loaded incorrectly too. But it said that any information not related to an account is removed before processing and that no personal data would be shared with third parties. All information scanned by branch staff is destroyed after 30 days. As a result of the service issues relating to the application it paid £200 in compensation.

Our investigator didn't recommend that Lloyds do anything further. She said that this was a complaint by M which wasn't a 'natural person' and couldn't suffer distress even where an officer of M involved had experienced this. She also said that specific compliance with data protection legislation would be something that the Information Commissioner's Office would be responsible for. There was no more information about the circumstances of the complaint following the response from Lloyds and she considered it had taken reasonable action already.

The director of M didn't agree. He said that Lloyds should be pressed to establish why this occurred and that he couldn't accept its assurances without evidence. He said that as someone's personal data had been disclosed to him then his data could have been disclosed to someone else. And that if he hadn't pointed this out then the information would have remained. He said that if this service couldn't obtain more evidence from Lloyds then he'd like to know which organisation could.

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 need to emphasise that this is a complaint by M. And while I fully understand the director's

concerns about the safety and handling of his information, I can only look here at the impact for M. And while he and M were in possession of another person's data which is of concern again that person isn't the complainant here. It also seems to be the position that any evidence to help determine whether data relating to M was incorrectly disclosed has by now been deleted. So, although I understand the potential risks and concern, I'm not going to speculate about what might have happened and Lloyds has said to this service and M it has nothing further to provide about that.

Clearly a human error was made in branch when the wrong information was attached to M's application. That was rectified and would in my assessment likely have become apparent in any event when checks of that information against M's actual officers were made. That error was one of others made by Lloyds set out above.

Lloyds has paid £200 compensation for what happened. I'm afraid I think that's reasonable taking into account our published guidelines and the impact for M here. So, I won't be requiring it to do anything more. If M doesn't accept my decision it remains free to pursue this matter in court and subject to any relevant timescales.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask M to accept or reject my decision before 12 February 2025.

Michael Crewe
Ombudsman