

## **The complaint**

Mr W complains Lloyds Bank PLC (“Lloyds”) treated him poorly and discussed his personal business affairs indiscreetly in branch without the privacy he had requested. Mr W is also unhappy Lloyds didn’t make reasonable adjustments for him due to his neurodivergent condition, and subsequently closed his account.

Mr W says Lloyds’ actions have caused him substantive financial loss, distress, and inconvenience.

## **What happened**

The details of this complaint are well known by both parties, so I won’t repeat them again here in detail. Instead, I’ll focus on setting out some of the key facts and on giving my reasons for my decision.

Around October 2023, Lloyds wrote to Mr W that if he didn’t stop using his personal account for business purposes, it may have to close the account. Mr W went into his local Lloyds branch to query this and says he was treated rudely by its staff, who also didn’t help him.

Mr W complained. Lloyds sent Mr W several complaint related responses. In summary, the main points it made were:

- Lloyds agrees Mr W was treated poorly in one of its branches. So it will pay £75 compensation into his account and provide feedback to the relevant staff. Lloyds understands Mr W’s frustration, and things can be said in the heat of the moment, but it would ask him not to use offensive language when speaking to its staff
- While sole traders are legally able to use personal bank accounts for business transactions, Lloyds reserves the right to close accounts for this reason in line with its terms and conditions
- Mr W feels his condition impacts his ability to run both a personal and business account separately. But Lloyds doesn’t allow personal accounts to be used for business purposes. Should Mr W continue to use his account for business purposes, Lloyds may close it in line with its terms of account
- Lloyds has specialist staff who can discuss the business account services it offers and who can help Mr W with running various aspects of his account. But such staff aren’t based in all its branches – and not Mr W’s local one. So it would be necessary for him to visit another of its branches at another location. But Mr W says this wouldn’t be possible as it would be stressful for him to cope given his condition
- Mr W has informed Lloyds he wants to keep his finances simple due to his ADHD and the challenges it would pose him by having two accounts. But Lloyds previously advised him it doesn’t allow a personal account to be used for business purposes, and this is the same for all its customers

Mr W referred his complaint to this service. Lloyds sent Mr W a notice to close his account in December 2023 in which it gave him two months' notice. The account was closed in February 2024. Mr W explained that in doing so, Lloyds caused him a significant mental health issue given his condition.

One of our Investigator's looked into Mr W's complaint, and they recommended it wasn't upheld. In summary, the key findings they made were:

- Mr W says he must have one account due to his condition, but Lloyds had said it couldn't be used for business purposes and if he continued to do so, it would close the account. Lloyds's gave Mr W two months' notice to close his account, and this was in line with its terms and conditions
- Lloyds say its branch staff were unable to recall the incident in branch Mr W is complaining about. After considering what Mr W has said, they accept he wasn't treated well. But Lloyds' payment of £75 was reasonable compensation
- Mr W would like a face-to-face meeting at his local branch to discuss a way forward. Lloyds did offer this to Mr W by speaking to its specialist staff at another branch where staff who could help him worked. Lloyds acted fairly and reasonably in doing so

Mr W didn't agree with what our Investigator said. The main points he made in response were:

- The Investigator didn't address his complaint as it's about the treatment he received in branch where he was berated, and his personal business discussed at the counter in front of other customers. Despite asking to speak to someone privately
- There were two staff members present in branch and Mr W knows they can recall what happened. CCTV footage would show what happened too. Lloyds are therefore covering the incident up which amounts to borderline disability discrimination. The impact to his mental health has been severe
- Mr W is an individual and not a business. He was running a business through the account as a self-employed person. And by law he is entitled to a current account
- Lloyds haven't allowed Mr W to use the Account Switching service with his new account provider and he no longer has access to its online banking. Lloyds say it sent Mr W a cheque for the closing balance despite Mr W telling a staff member not to do so due to the switch. This has caused Mr W further mental health issue
- Lloyds failed to make allowances to help Mr W with his ADHD

Lloyds said it didn't find any evidence which showed Mr W had been treated differently because of his ADHD. Lloyds also added a support need on its systems to ensure its staff were aware of Mr W's condition when speaking to him. Lloyds doesn't agree it discriminated against Mr W.

Our Investigator looked into Mr W's complaint further, and they still thought Lloyds didn't need to do anything more. The main points they made were:

- Lloyds closed Mr W's account fairly. Only the courts can decide if Mr W has been discriminated against, but after considering the relevant law and all the evidence, Lloyds didn't close the account for an improper reason nor was this the case

- Lloyds invited Mr W to its branch to discuss his concerns. And the closure letter included ways Mr W could contact Lloyds. This was reasonable
- There was support available to Mr W from trained staff and he was free to access this service

As there was no agreement, this complaint was passed to me to decide. I then asked both parties for more information. Some of the key responses were:

#### Mr W

- Mr W says he was rudely interrupted at the counter by a staff member, and he can't use his account as a self-employed person. Mr W adds that he was abruptly told no one could help him in branch. Mr W says he explained he needed more support due to his ADHD but was told to go to another branch. Mr W says he explained that due to his ADHD, and mental health issues including anxiety, he needed to be in a familiar place. As he was again told that he couldn't use his account, Mr W walked out telling the staff "Where they could go". This incident sent Mr W into a downward spiral
- Mr W learnt the account had been closed when he was on holiday whilst trying to use his debit card. This impacted his mental health and ruined his holiday
- The impact of Lloyds' actions led to him losing weeks' worth of work due to having to handle this matter and not having access to his account when it was closed. The impact to Mr W's mental health has been significant leading to low moods, anxiety and requiring specialist mental health support

#### Lloyds

- CCTV footage isn't available due to the time that has passed. Such footage is generally only kept for 28 days. There are no branch notes from the time of the incident Mr W complains about, and the colleagues are unable to recall what happened
- The £75 compensation was made to Mr W as Lloyds decided to provide him with the benefit of doubt about what happened in branch
- Lloyds has sent a template of the closure letter Mr W was sent
- Mr W was asked to visit another branch regards business account specialism due to staff availability. No other adjustments were made as the solution was for Mr W to visit another branch - though it recognises this wasn't suitable for him
- Mr W hung up when he was informed about the need to go into another branch. Lloyds don't believe a detailed conversation took place around what support he needed. Lloyds understand Mr W wanted to keep just the one account, but it offers separate accounts for personal and business use, and this wouldn't have changed despite Mr W's preference
- In relation to reasonable adjustments, Lloyds did offer to explore opening a business account at a branch with expert staff. No further adjustments were explored. No other support could've been offered on Mr W's local branch at the time – though that has

changed now

I then sent both parties my provisional decision in which I set-out what I was planning on deciding. For ease of reference, here is what I said:

#### Provisional decision

*"I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.*

*If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I do stress however that I've considered everything Mr W and Lloyds have said before reaching my decision.*

*I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I am planning on upholding this complaint in part. I'll explain why.*

#### Branch incident

*Lloyds say they don't have the CCTV footage, nor can their branch staff recall what happened. Lloyds say they upheld this main complaint point as they gave Mr W the 'benefit of doubt'. In its submissions to us, Lloyds also say that Mr W told it "I lost control of my emotions a common trait with ADHD and told them where to stick it".*

*I've carefully considered what Mr W has said about this incident. And to my mind the key customer service issues he had were that he was spoken to abruptly, and his request for a private meeting were ignored.*

*The only evidence I have is what Mr W has said about what happened. I note he says his wife can also provide a statement, but I'm persuaded that its likely she will have a similar recollection to Mr W. Given the detail which Mr W has been able to explain, I find his testimony persuasive and plausible. So, on balance, I find that its likely he was treated rudely and his request for privacy wasn't addressed. I'm also persuaded that this would've been exacerbated by Mr W's condition – something he had told Lloyds and its staff about.*

*I note Mr W accepts this interaction led to him telling the staff "Where to go". I also note that Lloyds have said something similar happened and asked him in one of its complaint responses not to use offensive language. So it appears Mr W could've handled matters better too – though I appreciate what he says about this being related to his ADHD.*

*After carefully weighing everything up and given how Lloyds' communication and customer service failing impacted Mr W, I'm persuaded he should be awarded compensation and that it should be more than the £75 already paid to him by Lloyds.*

#### Account closure and reasonable adjustments

*Lloyds is entitled to close an account just as a customer may close an account with it. But before Lloyds closes an account, it must do so in a way, which complies with the terms and conditions of the account.*

*The terms and conditions of the account, which Lloyds and Mr W had to comply with, say that it could close the account by giving him at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.*

*Its clear Mr W was aware of this given he went into branch to explain why could only keep one account because of his condition - and how that impacted his financial management capability. I've seen Lloyds' terms and I'm satisfied it doesn't allow a personal account to be used for business purposes. Lloyds accept that a personal account can lawfully be used for sole trading activity – but it hasn't acted unfairly by closing the account in line with what its terms say.*

*So I'm satisfied Lloyds' application of its terms wasn't unfair nor unreasonable. It had explained this provision to Mr W, and also informed him of the consequences of not adhering to them. So I wouldn't have expected Lloyds to have kept Mr W's account open for him to use it for both personal and business banking.*

*However, that doesn't mean I think Lloyds did enough to accommodate Mr W's requests for reasonable adjustments. Lloyds say the local branch Mr W used didn't have specialist business banking staff working there. And that's why Mr W would have had to travel some 18 miles to another of its branches to talk to someone. Mr W says he required familiar settings as having to go to another branch caused him anxiety.*

*Lloyds say it left an additional support note on Mr W's profile on its systems. I've seen a screenshot of this, and note it says: "Customer has ADHD. Doesn't like making phone calls, prefers to do things face to face. Can't handle more than one bank account".*

*By directing Mr W to another of its branches, Lloyds say it did enough within its own staff capability limitations to make reasonable adjustments for him. Having given this much thought, I'm not persuaded Lloyds did do enough. Lloyds could've arranged for a business specialist to speak to Mr W over the phone – I note he didn't like doing this, but the proposal should have been made amongst other exploratory options. It's also possible Mr W could've had a face-to-face private meeting at the local branch and a business banking specialist could have been on the phone, or on a more interactive basis like a video call. No such options appear to have been explored.*

*Given what Lloyds knew about Mr W's condition, I'm persuaded it should have done more to support him and explore adjustments that could be made outside its normal processes. So I think Lloyds should pay Mr W compensation for failing to explore and potentially make adjustments for him based on what it knew about his condition.*

*When reaching what I think fair compensation should be, I will take into mitigation that it appears Mr W ended the call abruptly with Lloyds when they were discussing him visiting the other branch. I say that because that would've been a natural opportunity for Lloyds to discuss other arrangements had Mr W given it the option.*

#### Account Switch

*I note Mr W is unhappy that he couldn't use the CASS account switching service. But that was because his account had been closed by Lloyds, and so its systems didn't allow this to happen anymore. Mr W knew that his account was going to be closed after his unsuccessful attempts to get Lloyds to make adjustments failed.*

*I'd expect Mr W to make reasonable attempts to prevent himself suffering any financial detriment. But in his case, I accept his ability would have been somewhat impaired because of his condition.*

*However, given I think Lloyds applied it terms fairly in closing Mr W's account for the reasons it did, I can't find that the resulting inability to use the switch service was unfair.*

### Discrimination

*Mr W says he has been discriminated against based on his disability. I'd like to assure Mr W that I've very carefully considered everything he's said about this. And I want to make clear I do not doubt how genuinely he feels about this matter and the upset Lloyds' actions have caused him.*

*While I appreciate this is Mr W's perspective, it's not my role to decide whether discrimination has taken place as a matter of law – only the courts have the power to decide this. I have, however, considered the relevant law in relation to what Mr W has said when deciding what I think is the fair and reasonable outcome.*

*Part of this has meant considering the provisions of The Equality Act 2010. But after doing so, I've not seen evidence to indicate Mr W was treated unfairly.*

### Fair redress

*Mr W says his holiday was impacted by Lloyds closing his account – and he lost out on work because of the effort in complaining and the account being closed. Lloyds had never said that his account closure would be stopped. I'd also expect Mr W acting in his business capacity to take reasonable action to mitigate any loss.*

*So because of this I won't be directing Lloyds to pay any compensation for the loss of business income. After all, I don't know if speaking to a business account specialist in a way that suited Mr W would still have led to a solution of his request to keep just one account for all his personal and business banking.*

*But I do need to weigh up what fair redress is for the poor customer service he received in branch, and for Lloyds not making appropriate attempts to see if it could make reasonable adjustments for him. Given the mitigatory factors I've mentioned above, I'm persuaded an award of £375 is fair compensation. In making this award, I've accounted for the £75 Lloyds has already paid Mr W.*

*I should add that I don't think Lloyds did anything wrong either with sending Mr W a cheque for the closing balance given he hadn't moved the funds out himself whilst he had access to all his banking services including online”*

The deadline for both parties to respond to my provisional decision has now passed.

Mr W has added that he wouldn't have registered the closure date of the account when Lloyds sent him the notification of closure letter as his ADHD means he has 'time blindness'. He also says Lloyds didn't send him another letter to remind him of the closure closer to the time so he could make the arrangements to move his account.

Lloyds said it had nothing further to add and agree with the findings in the provisional decision.

As both parties have responded, I will now decide this complaint.

### **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.

Having done so, and for the reasons in my provisional decision – as above – I have decided to uphold this complaint in part.

Mr W has said that due to his condition Lloyds should've reminded him nearer the time of the account closure, so he could've moved his account and funds to a new provider. It's likely this would've helped Mr W, but he knew about the closure and went into branch to discuss it. And I haven't seen any evidence Mr W told Lloyds it must remind him nearer to the time. So I won't be adding any further compensation for this issue to that which I said in my provisional decision would be fair redress.

### **My final decision**

For the reasons above, I uphold this complaint in part. I now direct Lloyds Bank PLC to pay Mr W £375 compensation.

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

Ketan Nagla

**Ombudsman**