

## **complaint**

Mr L complains about Lloyds Bank PLC ("Lloyds") regarding customer service and account processes in relation to reactivating his dormant account. He wants the account to be reopened and reactivated.

## **background**

Mr L has been a Lloyds banking customer for more than 20 years. More recently, he moved overseas but retained his account.

He last used his account for a transaction in 2006.

In 2009 Lloyds followed its process and put Mr L's account into dormancy.

In June 2018, Mr L needed to give details of a UK account in order to receive a regular income into a UK bank account.

He contacted Lloyds over the course of June and July for help in getting online access to his account.

Mr L was advised by a number of agents, who reissued security numbers and log in details to him on a number of occasions. These were posted out to Mr L following his calls and took some time to reach him.

The reissued details did not work and Mr L remained unable to log into his account.

Mr L called in and spoke with a manager. He was advised to cancel his existing online details and re-register for online banking.

Mr L was unable to complete a re-registration and contacted Lloyds again. Mr L submitted a complaint about the time he had had to spend on calls to Lloyds, over the course of more than two months.

His complaint was considered and he was offered £120 compensation to cover his call costs, and a further £40 for his inconvenience.

When Lloyds tried to credit the compensation to Mr L's account it was rejected, and shortly afterwards it was identified that his account was dormant and inactive. This had prevented the online access being set up and caused the compensation payment to be rejected.

Lloyds then advised Mr L that in order to reactivate his account he would need to provide identification documentation. Mr L sent in a copy of his identification, certified by a magistrate. This was rejected as it did not meet the criteria Lloyds had set for certified copies.

Mr L submitted a further complaint. He spoke with a complaint handler in September 2018. The call handler asked what he wanted to resolve the complaint. Mr L indicated that he wanted the account to be reactivated but that he would not send in further documentation. He accepted that he had provided the wrong certification but said that given the time he had spent on dealing with Lloyds he was not prepared to send in anything further.

The complaint handler explained that she would not be able to reactivate the account without proper identification being provided and so was not able to reactivate the account. Mr L then confirmed that the account should be closed.

The complaint handler accepted that Mr L's expectations had been mismanaged and that he had been given the wrong information during his calls. She therefore offered Mr L a further £150 compensation for his distress and inconvenience, to be credited to his account.

Mr L accepted this and the additional compensation, along with the compensation from his July complaint, was then credited to his account and a cheque for the account balance was issued to Mr L.

A final response letter was sent to Mr L in early September confirming the resolution discussed during his call and confirming the account would be closed.

The account was then closed a few days later.

Mr L was unhappy with Lloyds' resolution and complaint handling process so he contacted us.

One of our investigators has looked into his complaint and has set out her view to the parties. This was that Lloyds had made errors in not identifying earlier that the account was dormant, but that Lloyds had subsequently made a reasonable offer to compensate Mr L.

Mr L was not happy with this view. He felt that Lloyds had not exercised discretion in the type of identification documents he had been required to produce, and he had not really wanted to close his account. He therefore wanted his complaint to be passed to an ombudsman.

### **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I have, in particular, listened to the available call recordings, and looked at the comments sent in by the parties.

I appreciate why Mr L is frustrated that it took so long to get certainty in the status of his account. I can understand why he felt that the effort he had to put into communicating with Lloyds was disproportionate to the amount of use he made of the account.

I do, however, agree with the investigator's view that Lloyds has responded to its failings appropriately.

In respect of making the account dormant, Lloyds has a process for doing this and it appears that Lloyds acted in line with that process after the account had not been used for three years. This was reasonable, and it was approximately 12 years after the account was made dormant that Mr L next tried to use the account.

It is unfortunate that Lloyds' systems did not clearly show to the staff accessing the account details that the account had been made dormant. This information not being apparent did cause Mr L to waste time in lengthy calls discussing his security and online information, in

the belief that the security information was the barrier to him accessing the account. This also added considerable time to Mr L being able to resolve matters because new security information had to be posted to him to try and this took longer because he was overseas.

Lloyds has acknowledged that it should have been aware of the dormancy earlier and has apologised. It promptly offered Mr L compensation for his telephone calls, and then a further £40 for his distress and inconvenience.

This payment could not be completed initially and this revealed that Mr L's account had been dormant.

Once it was clear that the account needed to be reactivated I think it was reasonable of Lloyds to require identification documentation from Mr L, in line with its usual process.

Mr L sent in documentation which he acknowledges was incorrectly certified. He feels that Lloyds could and should have exercised discretion to accept that documentation in the context of Mr L having by then been delayed by Lloyds' error.

I understand his view, but businesses have responsibilities to ensure that appropriate identification is obtained, and they can set their own criteria for what is acceptable. I therefore do not criticise Lloyds for deciding not to accept the documentation which was not certified in line with its criteria.

Whilst I understand Mr L's view, the two issues are separate and there having been a delay due to Lloyds does not affect Lloyds' decision on acceptable documentation.

Mr L spoke with a complaint handler at Lloyds and she offered compensation for the inconvenience, at a level which I consider appropriate. The complaint handler asked what Mr L wanted the complaint to be resolved and Mr L indicated that he wanted the account open, but was not prepared to send in the required information. The complaint handler made clear that the account could not be reopened without identification and Mr L then confirmed that the account should be closed.

I do not think that Lloyds could have done anything more during this conversation, and Mr L was clear in his instruction to close the account.

Mr L has subsequently asked that the account be reinstated. Our investigator made enquiries with Lloyds and Lloyds has confirmed it could not reopen the same account with the same details but Mr L is able to apply again if he wishes to do so. I think this is reasonable.

As a result, I agree that Lloyds provided a poor service in not promptly identifying that the account was dormant, but I think it has acted appropriately since it identified the issue.

I would not, therefore, ask it to do anything further.

### **my final decision**

For the reasons set out above I do not uphold Mr L's complaint and do not ask Lloyds Bank plc to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 12 January 2019.

**Laura Garvin-Smith**  
ombudsman