

## **complaint**

Mr E complains, on behalf of an organisation B, that Lloyds Bank plc (trading as TSB) didn't transfer B's account to TSB Bank plc as agreed. And B can't use its local branch as a result.

## **background**

In 2013 Lloyds TSB plc carried out a major re-structure to de-merge and create a new bank, TSB Bank plc. Lloyds asked existing customers which bank they wanted to be part of. And B asked to be transferred to TSB through the process Lloyds called project Verde

But B's account wasn't transferred before the split, so it stayed with Lloyds. And B asked its local (now TSB) branch for a new account. TSB said, under its policies, B had to register as a charity in order to open a new account. Mr E says if the account had transferred under Verde, as Lloyds promised, this wouldn't have happened.

Lloyds considers TSB would have required registration even if the account had transferred under Verde. But Lloyds accepts it provided poor customer service. And it has paid B £850 compensation for the inconvenience this caused.

Mr E says Lloyds breached the Verde agreement – because it hasn't provided B with a new TSB account on a "like for like" basis. And he wants TSB to open an account for B without requiring charity registration.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I have come to the same conclusions as our adjudicator for much the same reasons.

Some aspects of B's complaint relate to the actions of Lloyds Bank Plc and some to TSB Bank Plc, which are now separate businesses. For the sake of clarity, I will be considering the actions of both banks as they were the same legal entity at the time Mr E complained to us, although they were run separately. So for our purposes, B's complaint is against Lloyds Bank Plc.

I can see it's been frustrating for Mr E that Lloyds didn't simply transfer B's account to TSB as anticipated. And I understand it's most inconvenient that B can't continue to use its local bank unless it registers as a charity.

There's no dispute Lloyds told B its account would transfer to TSB on a "like for like" basis under the Verde process. So I can see why Mr E considers TSB should simply have opened the same account that B held with Lloyds TSB - and then the question of charity registration wouldn't have arisen.

But I'm satisfied that TSB looked at each account transferred under Verde in the same way it would for any account switch – and assessed whether the account holders met its internal criteria for opening a TSB account. So I'm not persuaded TSB would have simply opened an account for B even if its account transfer had been attempted before the banks split. And I'm satisfied TSB would have raised the charity registration issue, in any event.

I appreciate Mr E feels strongly that TSB's requirements are unreasonable. He refers to guidance from the Charity Commission which says there's no need for B to register. And he considers registration is a costly and unnecessary administrative burden for B. So I understand his frustration.

But TSB is entitled to decide what criteria it applies to account holders. And this service isn't the regulator. So I have no power to require the bank to change its policies or procedures – or require it to open an account for B which contravenes these. I realise this is likely to disappoint Mr E, as it's not the outcome he hoped for - but B continues to have the option of holding an account with Lloyds without registering.

Lloyds has acknowledged it shouldn't have told B the account would transfer on a "like for like basis". It has apologised for providing very poor customer service and misleading information - and paid B £850 compensation for the inconvenience it experienced. Like our adjudicator, I'm satisfied that's a fair response and I can't fairly order Lloyds to do more.

### **my final decision**

My decision is that I do not uphold this complaint. Under the rules of the Financial Ombudsman Service, I am required to ask B to accept or reject my decision before 19 January 2015.

Claire Jackson  
**ombudsman**