

## **complaint**

B, a limited company, complains because Lloyds Bank PLC was slow to process its application to open a business account with the bank. And then Lloyds cancelled the application. Mr S, a director of B, brings this complaint for and on behalf of B.

## **background**

Mr S set up a new company in October 2014, B, and went to Lloyds to open up a business bank account.

In early December 2014, Mr S was unhappy that the account hadn't been opened. So he contacted Lloyds to complain. Lloyds paid £100 to Mr S to apologise for this and cover the cost of the calls he'd had to make.

Also in early December, Lloyds gave Mr S the account number and sort code for the new account. So Mr S ordered business stationery – some of that stationery, such as company invoices, had the business account details printed on them.

In early January 2015, Mr S was unhappy that the account still hadn't been opened. He says this was stopping him from running the business because he couldn't buy insurance, pay rent for the business premises or take payments from customers. So he called Lloyds again. During this call, Lloyds told Mr S that it still needed evidence of B's business address, before it could set up B's bank account. Mr S explained that his accountant had already confirmed this but the bank said it needed to be an accountant who was on its approved list. As an alternative, Lloyds suggested Mr S could send it a copy of B's lease for the business premises or utilities addressed to B at the business address. But Mr S said the company had no utility bills and B's landlord wouldn't give him a copy of the lease until B started paying rent, which it couldn't do until Lloyds opened B's account.

On 9 January 2015, Lloyds wrote to Mr S and apologised for the delay it'd taken in opening the business account. It paid Mr S a further £200 to apologise for any frustration and inconvenience this had caused. But it also explained that it didn't want to continue with opening an account for B because of the way Mr S had spoken to its employee earlier that month.

So B opened an account with another bank and had to have more company stationary printed with the new bank details. Because of this, Mr S wants Lloyds to pay further compensation to him for the delays and also the cost of the stationary he says he had to have reprinted with the new bank details.

Our adjudicator looked at this complaint and didn't uphold it. He explained to Mr S that a bank has the right to choose if it wants to have a business as its customer. And the terms and conditions for a business current account allow it to "*decline to open an account*" without needing to have a reason for it. So he didn't think Lloyds did anything wrong by refusing to open an account for B.

Our adjudicator agreed that it took the bank too long to tell Mr S what further information it needed. But he felt that the payment to Mr S of £300 for this was reasonable.

Mr S didn't agree so the complaint has been passed to me for a decision.

### **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Where there's a dispute about what happened, I've based my decision on what I think's most likely to have happened in light of the evidence.

Having done so, I'm afraid I have to tell B that I think the adjudicator has reached the right outcome here. I think the adjudicator has set out the position very clearly so there is very little I can add to what the adjudicator has already said.

I can understand that Mr S was frustrated by the delay he was experiencing when trying to open up an account for B. However, the terms of the account allow Lloyds to choose not to open a business current account. And that's what the bank did here. It was able to do this without giving a reason to B. But here it did explain why it'd done this - it was unhappy with the way Mr S had spoken to a staff member.

Mr S was given the account details by Lloyds but he knew the account hadn't yet been opened. Unfortunately, the bank didn't have enough information to open an account for B. Even so, it decided not to go ahead with his application for a new account for B anyway. So I think Mr S took a risk when he chose to get the stationary printed before the account had been opened. And, taking everything into account, I don't think it'd be fair or reasonable for me to tell the bank to pay any more than the £300 it's already paid B.

### **my final decision**

For the reasons set out above, my final decision is that I don't uphold B's complaint against Lloyds Bank PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S, on behalf of B, to accept or reject my decision before 9 November 2015.

Rebecca Ellis  
**ombudsman**