

The complaint

Mr S is unhappy with the service he received from Lloyds Bank PLC surrounding the opening and closure of a fixed bond.

What happened

Mr S has severe dyslexia. On 31 May 2023, Mr S placed a significant amount of money into a one-year fixed term bond.

When Mr S opened the bond, he explained to Lloyds' staff that he had dyslexia and asked a series of questions about the terms of the bond. But rather than discuss the bond terms with Mr S and answer his questions as Mr S would have liked, Lloyds directed him to a video which provided information about the bond but which Mr S found difficult to understand, because of his dyslexia.

Mr S then asked some further questions of Lloyds staff about the bond before committing his money to it. But a few weeks later, when Mr S wanted to withdraw his money from the bond, he found that he would be penalised for doing so, as per the terms of the bond which he hadn't correctly understood. Mr S wasn't happy about this, so he raised a complaint.

Lloyds responded to Mr S but felt that they'd administered the bond in line with the terms and had provided all the relevant information about those terms to Mr S before he'd made the decision to purchase the bond. Mr S wasn't satisfied with Lloyds' response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they felt that it was more likely than not that Lloyds had acted fairly regarding how they informed Mr S of the terms of the bond, and so didn't feel that this was a complaint that they could reasonably uphold. Mr S remained dissatisfied, so the matter was escalated to an ombudsman for a final decision.

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.

Mr S and Lloyds hold different opinions as to what was discussed between Mr S and Lloyds' staff when Mr S opened the bond in question. For instance, Mr S states that he explained his dyslexia to Lloyds' staff at that time, whereas Lloyds say they only learnt of Mr S's dyslexia in June 2023, some weeks after the bond was opened.

Unfortunately, it isn't possible for me to confirm what was or wasn't said at the time that Mr S purchased the bond, because no recording of that conversation has been presented to this service – despite Lloyds initially declaring that they did hold a recording of the point-of-sale conversation.

Mr S feels that Lloyds' failure to present the recording of the point-of-sale conversation is an indictment against Lloyds' testimony, which he feels the recording would show to be

inaccurate. But I'm not convinced that Mr S's assertions here are necessarily correct. And I feel it is at least equally as plausible that, for whatever reason, Lloyds simply haven't retained the recorded conversation – if it was recorded at all.

In instances where the testimony of the complainant and the responded are in contradiction with one another – as is the case here – I must decide which of the two testimonies I feel is most likely to have taken place, on balance and in consideration of all the information and evidence available to me. And on this occasion, there are several pieces of information available to me which I feel are significant.

The first of these is a letter from Mr S's doctor which explains that Mr S was diagnosed with severe Developmental Dyslexia and learning disabilities and which state that Mr S has problems grasping basic information, has poor concentration, and doesn't have the basic skills to comprehend reading or listening for any length of time.

But other information I feel is significant are the details of the bond purchase itself, which was for a total purchase of just over £1 million. This is a significant purchase by any reasonable standard and is one which Mr S appear to have undertaken directly – that is to say, without any kind of assistance from a financial advisor or a wealth manager.

In consideration of the above, I feel it's only natural to question why Mr S would have chosen to have made such a significant financial transaction without any form of professional assistance, given the severity of his dyslexia and his learning difficulties.

But more importantly, I feel that if Lloyds had been appraised of Mr S's dyslexia and learning difficulties at the time of the bond purchase, that this would most likely have been recorded on Lloyds' systems – given the large purchase amount and the unusualness of such a large purchase being undertaken directly by a person with such significant medical conditions.

But Lloyds don't have any record of being told of Mr S's dyslexia until Mr S wanted to withdraw his money from the fixed term bond a few weeks after opening it. And, upon consideration of what I've discussed above, I feel the most likely reason for this is because Lloyds weren't told by Mr S about his dyslexia when the bond was purchased, and only because aware of Mr S's dyslexia later, when they first have record of it on their systems.

I'm aware that Mr S will disagree with my position here. But I also feel that as the person making such a significant purchase, it was incumbent on Mr S to have fully understood the nature of the product he was purchasing before he committed to it. And this would be the case regardless of how Lloyds presented that information to him. In short, if Mr S wasn't fully satisfied that he understood the bond, then I feel it's reasonable to have expected him to have not committed to it.

Mr S has explained that after watching the bond information video as he was directed to by Lloyds, he asked further questions about the bond to Lloyds staff. And it was after receiving answers from a member of Lloyds staff, which included an example of a withdrawal from the bond after eleven months, that Mr S felt comfortable enough to commit to the purchase.

It's now recognised that Mr S hadn't correctly understood the terms of the bond from the explanation and example that he'd received from Lloyds' staff member. But given that Mr S only committed to the bond after having questions about the bond answered by Lloyds' staff – separate to watching the information video – then I feel it's fair to suggest that Mr S may never have correctly understood the terms of the bond in question, given his dyslexia and learning difficulties. And I say this because Mr S did receive answers to some of his questions about the bond from Lloyds staff but didn't develop a correct understanding of the bond from those answers.

All of which means that I don't feel that Lloyds have acted unfairly as Mr S contends here. And because of this I won't be upholding this complaint or instructing Lloyds to take any further or alternative action.

I've reached this position because, as explained, I feel it's more likely than not that Mr S didn't inform Lloyds about his dyslexia at the time that he purchased the bond. And because I'm also not convinced that Mr S would have correctly understood the terms of the bond – such that a different outcome other than that about which Mr S is unhappy about would have occurred here – had the information about the bond been presented to Mr S in the manner he would have liked.

I realise this won't be the outcome that Mr S was wanting. But I hope that he'll understand, given all that I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 6 February 2024.

Paul Cooper
Ombudsman