

The complaint

Mr C complains about Lloyds Bank PLC deactivating his reasonable adjustment and subsequently discriminating against him.

What happened

I issued my provisional decision on 20 November 2023, and this is what I said:

I've considered the relevant information about this complaint.

Based on what I've seen so far, there will be a different outcome to what our investigator proposed.

Before I issue my final decision, I wanted to give everyone a chance to reply.

I'll look at any more comments and evidence that I get by 4 December 2023. But unless the information changes my mind, my final decision is likely to be along the following lines.

The complaint

Mr C complains about Lloyds Bank PLC deactivating his reasonable adjustment and subsequently discriminating against him.

What happened

Mr C is blind and, due to Lloyds requiring him to amend his telephone banking security number following their deactivation error, he is dissatisfied with the adjustments they have offered and feels discriminated against. Also, Mr C says Lloyds didn't inform that his security number had been deactivated and needed to be reset.

Background Information

Mr C explains that because some security telephone banking questions require sight to ascertain and read the answers, Lloyds had some time ago agreed to set him up with a 4-digit telephone security number for which he only has to quote 3 digits.

In January 2023, Mr C contacted Lloyds to set up a new payment. However, he discovered his 4-digit security number had been deactivated. Lloyds said this was because his security number had been 'compromised' in September 2022, but they didn't have any information on the reason it was compromised and later thought it was likely to have been an error. Lloyds are unable to reinstate Mr C's previous security number. Also, their system now requires a 6-digit number. So, Mr C is disappointed an effective adjustment has been changed without any communication with him.

Mr C says he was initially misinformed about how to set up a new security number, but it became clear that he had to receive and use an automated security number before changing it to a number he would remember.

Mr C says the adjustments offered by Lloyds all involve him requiring assistance from someone who is sighted. This is because:

- *His vision has deteriorated since the security number was originally set up and he can no*

longer read the large print security number Lloyds sent him

- He can't read information in braille or play a cd, which are two other methods offered by Lloyds*
- He says the other 'VOICE ID' option, which was initially subject to technical error and delay, was aimed at customers who had vision. He says this is because "it requests banking information that he would only know if sighted" such as bank account number and sort code.*

Also, Mr C would like Lloyds to send him information, including the security number, by email or text for which he appears to have a technical solution in place. Mr C says he suggested a practical solution, with the security number split between email and text. Mr C also points out that other businesses use email and text, and Lloyds already send him some confidential statement information by this method. So, he feels Lloyd's adjustments are outdated.

Mr C complained to Lloyds. They apologised and said they "didn't resolve ordering the new security number and should've given Mr C options for alternative access sooner". Lloyds increased their compensation offer from £50 to £200.

Mr C was dissatisfied with the adjustments offered, and he complained to our service.

However, our investigator thought Lloyds' adjustments and redress offer were reasonable.

Mr C remains dissatisfied, so this complaint has been referred to me to look at.

What I've provisionally 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, I have a different view to the investigator and I'm partially upholding this complaint. I will explain how I have come to my decision.

I should first explain that, although I understand Mr C's frustration here and his desire for Lloyds to make their service more accessible, I can't instruct a business or business group to alter its policy, procedures, processes or systems. I say this because we aren't the regulator of the financial services industry.

Also, I appreciate that Mr C feels that Lloyds are being discriminatory and the relevant law in this matter is the Equality Act 2010. Under the Equality Act 2010, businesses must take reasonable steps to remove barriers that people face as a result of their disability so that, as far as possible, people with disabilities receive the same service as people who don't have a disability and are therefore not placed at a substantial disadvantage. However, it's not for this service to judge whether Lloyds have breached the Equality Act 2010 here, as that's an issue for the courts.

Our role is to consider each individual case and, where we think a business hasn't acted fairly and / or reasonably in the circumstances, our role is to decide what should be done to put right any financial, or non-financial losses that a consumer has experienced.

From reviewing the file and listening to recorded telephone conversations, it's not that Lloyds have taken away the security number adjustment they put in place to support Mr C. Instead, they've temporarily deactivated and then modified the adjustment. And, due to a combination of an unknown deactivation issue, Lloyd's system design and Mr C's sight having deteriorated, this security number adjustment requires Mr C to seek assistance from a sighted person.

So, I'm satisfied that Mr C can, if he wishes, albeit with both assistance from a sighted person and Lloyds, set himself up with a new security number to undertake telephone

banking. I appreciate the security number will be longer than his previous number but, as it's possible for the new number to include his previous 4-digit number, I'm not persuaded that an extra 2 digits makes this adjustment impractical.

I can understand Mr C's frustration at having to change his security number. Also, not being told about when and why it was deactivated. Mr C explains that this security number was put in place to support him and how vulnerable he feels when, instead of being asked for security number digits, he is asked questions that he can't answer because he can't see or needs someone to help him.

From reviewing Lloyds final complaint response letter and compensation offer, although they recognise they were likely to have made a mistake in deactivating Mr C's security number, I can't see that they have considered the impact on Mr C.

I don't think Lloyds considered Mr C's vulnerability and how their mistake, which may be minor to a sighted person, has caused Mr C considerable distress. This is because Lloyds don't appear to have yet realised that Mr C's sight has deteriorated since they first gave him the security number adjustment and, although I think it is possible for him to change his number, he can't do so without planning assistance and therefore loses his independence. Also, the deactivation of his security number means he has been caused inconvenience and there is a risk of further inconvenience if he can't answer questions for which he needs to see information. So, even with VOICE ID, which I think he could also set up albeit with assistance, Mr C still has to rely on others to help him.

Also, with regard to assistance to remedy their mistake, I would've expected Lloyds to discuss practical ways they could both adapt their service and provide support in line with the Financial Conduct Authority (FCA) vulnerable customer guidance. I appreciate Mr C's practical suggestion of providing a security number part by email and part by text would have security implications, however I can't see any evidence of either a discussion about this or suggestions on how Lloyds could assist Mr C to resolve his security number issue. So, as I'm persuaded that this error has had a serious impact on a vulnerable person and caused Mr C considerable distress, upset and a loss of confidence over a period of time, I think Lloyds should increase their compensation to £500.

With regards to Lloyd's accessibility and disability guidance which has a section for all blind and partially sighted customers, I recognise Mr C's frustration as it is clear that large print, braille, audio cd and VOICE ID don't work for him. So, I can understand his desire for Lloyds to adapt and modernise their adjustments due to his characteristics. However, the adjustments Lloyds offer are for all blind and partially sighted customers and, as mentioned above, although Mr C understandably wants the list to be expanded and improved, it is not for our service to consider whether Lloyd's policies discriminate against groups of customers.

So, having considered the above, it's my provisional decision to partially uphold this complaint and I require Lloyds to pay Mr C £500 compensation.

My provisional decision

For the reasons I've given above, it's my provisional decision to partially uphold this complaint.

I require Lloyds Bank PLC to pay Mr C £500 compensation less any amounts already paid.

I'll look at anything else anyone wants to give me – so long as I get it before 4 December 2023.

Unless that information changes my mind, my final decision is likely to be as I've set out above.

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.

In my provisional decision, I gave both Mr C and Lloyds the opportunity to provide any comments or new information they might wish me to consider before I moved to a final decision.

I didn't receive a response from Mr C.

Lloyds said:

"I can confirm that the Bank agrees with your proposal to increase the payment offered by £300.00 (£500.00 in total) for any distress and inconvenience caused. We are sorry that this matter could not be resolved previously and are pleased that a fair outcome has now been reached".

So, I reconsidered everything again. I made one minor correction to the following paragraph as I had intended to insert the words "it's not that" in the following sentence / paragraph:

From reviewing the file and listening to recorded telephone conversations, it's not that Lloyds have taken away the security number adjustment they put in place to support Mr C. Instead, they've temporarily deactivated and then modified the adjustment. And, due to a combination of an unknown deactivation issue, Lloyd's system design and Mr C's sight having deteriorated, this security number adjustment requires Mr C to seek assistance from a sighted person.

Having reconsidered everything again, I see no reason to depart from my provisional decision, which I adopt in full as part of this final decision.

My final decision

My final decision is that I partially uphold this complaint. I require Lloyds Bank PLC to pay Mr C £500 compensation less any amounts already paid.

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

Paul Douglas
Ombudsman