

The complaint

Mr B complains that Lloyds Bank PLC wouldn't lend him money, to consolidate existing debts and reduce his outgoings, at a time when he was unwell.

What happened

Mr B said that he was seriously unwell for a while, which affected his income. He wanted to consolidate five or six credit card debts into one loan, because that would greatly reduce his outgoings. But he said Lloyds wouldn't lend him the money. It had suspended payments and interest on his credit cards and overdraft.

Lloyds said it had taken steps to help Mr B with his debts. But it couldn't make him the loan he wanted, because it just didn't think this would be affordable for him.

Our investigator didn't think this complaint should be upheld. He said Lloyds can only lend money when it's affordable for the borrower. It wouldn't lend if the application didn't meet its criteria, even if that loan would've reduced Mr B's outgoings in the short term. Lloyds had been through income and expenditure with Mr B, given him breathing space on his accounts and recently agreed to a payment holiday.

Our investigator didn't think that Lloyds had made a mistake, so he didn't think the complaint should be upheld.

Mr B said he was disappointed. He had a broker who was prepared to lend him this money, but at a premium. He wanted his case to be considered by an ombudsman, so it was passed to me 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.

I know that Mr B will be disappointed by this, but I don't think this complaint should be upheld either, and essentially for the reasons our investigator gave. He was satisfied that Lloyds had looked at Mr B's overall position, and didn't think it would be responsible to lend to him in the way he would like. I think the same.

Mr B says that someone is now prepared to lend him the money he wants to borrow, but at a premium. That doesn't change my view on this complaint.

Our service doesn't usually make lenders give someone a loan, especially if they've decided it wouldn't be responsible to do so. I don't think that we should depart from that usual position in this case.

I'm glad to see that Lloyds has taken some steps to support Mr B. And I'm sorry to hear that Mr B has been unwell. I hope he's now been able to return to work.

But I don't think Lloyds made a mistake here. So I'm sorry to have to tell Mr B that I'm not able to uphold this complaint.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 29 June 2020.

Esther Absalom-Gough
Ombudsman