

## **The complaint**

Mr A complains that Lloyds Bank PLC (Lloyds) sent letters relating to his credit card to the wrong address.

## **What happened**

Mr A had a credit card with Lloyds since 2016. Between April 2019 and September 2019, Lloyds sent six letters to Mr A to say that he had missed payments to his account. Lloyds wanted the arrears to be cleared, or to contact them to discuss a payment plan. On 17 August 2019, Lloyds sent Mr A a default notice. In September 2019, Mr A called Lloyds to discuss the debt and advised them of a temporary change of address. Interest was stopped and a 30 day stand still was agreed while Mr A worked out how much he could afford to pay. In October 2019, Lloyds sent Mr A a letter regarding the arrears to the temporary address. The debt was passed to a debt collection agency in January 2020.

Mr A complained that he didn't receive the letters as they had been sent to the wrong address. The letters included the correct flat number and name of road but left out the name of the house. Therefore, he didn't know what had happened. He got calls from the debt collection agency, but he couldn't properly deal with them because they also had the wrong address in their records. Mr A said that the entry on his credit file is wrong and should be removed. He said that there had been a data breach as the letters may have gone to the wrong address.

Lloyds replied in February 2020. They apologised for using the wrong address and paid Mr A £200 compensation for this. But Lloyds didn't think that this meant that they were wrong in defaulting the account as there had been contact with Mr A. They had searched the post code of the address and found that there was only one property listed. They made an offer to Mr A – that if he repaid the debt in full by 23 March 2020, they would remove the default marker on his credit file.

Mr A brought his complaint to this service where our investigator said that Lloyds had been reasonable. They said that Mr A stopped making payments in April 2019 but didn't get in touch until September 2019, so he knew of the debt. He could then have made payments but didn't. Lloyds were entitled to default the account in December 2019 and then sell the debt to a debt collection agency, because it was more than six months since the last payment. The investigator felt that the options Lloyds had provided here and the £200 compensation were fair in the circumstances. He had asked Lloyds if they would agree to a further 28-day period of repayment of the debt, but Mr A had said that he needed five months.

Mr A disagreed and asked that his complaint be reviewed by an ombudsman.

## **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 can appreciate the points made by Mr A. He says he didn't receive the series of letters from Lloyds and therefore was unaware of the debt, or at least that his situation had become serious. On the other hand, there had been no payments to the account since April 2019. He had had the credit card since 2016, so I think it's fair to say that Mr A would have known that he had the account and that he needed to make payments to what was outstanding. That's shown by when he contacted Lloyds on 18 September 2019 to discuss the debt. Lloyds stopped interest and agreed a stand still for 30 days until Mr A worked out a payment plan. But he didn't then go back to Lloyds with what he could manage to pay.

Mr A told Lloyds he was moving to a new temporary address. They wrote to him there on 23 October 2019. They said that as no payments had been received, the whole debt had to be repaid or it might be passed to a debt collection agency. It also said Mr A's credit file had been marked. Lloyds defaulted the debt in December 2019. Because there had been no payments since April 2019, they were entitled to do that.

When Lloyds replied to Mr A's complaint, they made an offer – that if Mr A repaid the debt by 23 March 2020, they would remove the default marker. In the circumstances, given that there had been no payments for 10 months, I think this was a fair offer, as it put Mr A in a similar situation to the one he would have been in had he received the letters he says he didn't get. But Mr A didn't accept this and as he didn't pay the outstanding amounts – the default has remained, which I think is fair as an accurate record of what happened here. Lloyds then apologised and made a compensation payment of £200 for having an incomplete address in their records, which I think is fair for the impact this situation would have had on Mr A.

So, I think that Lloyds have acted reasonably, and I don't think it's fair to ask them to do anymore.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 3 February 2021.

Martin Lord  
**Ombudsman**