

The complaint

Mr B is unhappy with the way that Lloyds Bank PLC handled his request for support with his credit card account as a result of his financial difficulties.

What happened

Mr B called Lloyds on 11 December 2020 to discuss his credit card account with them. He told them he was experiencing financial difficulties and was seeking their support.

Mr B explained he'd spoken to a debt advice charity. They'd suggested he write to Lloyds about his credit card account and include a budget planner he'd prepared with them. Mr B wanted an address to send Lloyds this information. He said the charity had advised him to request a payment freeze and ask Lloyds to consider stopping any interest and charges.

Mr B said that during the call, Lloyds insisted that he complete their own budget planner with them. He said they refused to use the one he completed. This took 90 minutes and he found it very stressful.

Having completed the budget, Mr B said that Lloyds wanted to close his account with them. He said he was very shocked as he only wanted to send them the letter and budget planner as suggested by the debt advice charity. Mr B wasn't happy with Lloyds response. He told them that he was not in arrears, having made all his payments up to that point.

Mr B said that Lloyds then changed their mind and agreed to a payment suspension plan for three months covering the period 1 January 2021 until 1 April 2021. Lloyds said they would confirm this in writing.

Mr B received a letter from Lloyds dated 11 December 2020. It said that they'd "*put a plan in place for your credit card*". But the letter also said that the plan would end on 11 March 2021. He didn't think that this was what had been agreed.

So, Mr B wrote a letter of complaint to Lloyds about his experience. He also had concerns about another matter. He thought that Lloyds should write off the balance that he owed them because of their actions.

Lloyds replied to Mr B by letter dated 8 January 2021. They agreed that their letter relating to the plan on his credit card account had wrongly detailed the plan expiry as 11 March 2020. They said that this should've said 1 April 2020. They agreed to pay £50 for the upset and trouble caused. Lloyds also said that other matters complained about would be investigated separately by their banking team.

Mr B wasn't happy with Lloyds reply, so he referred his complaint to this service. One of our investigators looked into the circumstances of Mr B's complaint. He thought that the amount offered by Lloyds was reasonable.

Mr B didn't agree with our investigator's findings. So, he asked that his complaint be referred 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.

I want to clarify that in reviewing Mr B's complaint, I have focussed upon the aspects relating specifically to his credit card account, and Mr B's request to Lloyds to provide support while he experienced financial difficulties. Any other matters are the subject of a separate complaint.

Prior to calling Lloyds on 11 December 2020, I believe that Mr B had previously been in contact with them in relation to the amount he owed on his credit card account. I've seen letters from Lloyds dated 28 October 2020 and 28 November 2020 which confirm, on each occasion, that Lloyds had "*put a 30 day hold*" on Mr B's credit card.

I've also listened to a recording of the call between Mr B and Lloyds on 11 December 2020. Mr B explained that he'd spoken to a debt advice charity, this having previously been suggested by Lloyds. I believe that Mr B did the right thing to seek help and support from an independent advisor in the circumstances here.

Mr B explained his financial circumstances to Lloyds and told them he'd completed a budget planner with the help of the debt advice charity. He said he'd been advised to write to them asking for a payment suspension. Rather than provide Mr B with a postal or email address to write to, Lloyds suggested completing their budget planner over the phone. Mr B didn't object, although he has since said that this frustrated him as he'd already done this with the debt advice charity.

I can completely understand Mr B's frustration. Particularly as this can be a lengthy process. But, having listened to the call, my overriding impression was that Lloyds were trying to provide immediate support to Mr B at the time – particularly given his financial situation at that point. I think it's also relevant to say that the debt advice charity and Lloyds may both look at a budget planner from slightly different perspectives. For example, Lloyds wanted to include any contractual payments due in respect of any other debts that Mr B might have. The debt charity hadn't included this. Lloyds did explain this to Mr B during the call.

Mr B also suggested that he felt bullied during the call. Having listened, I think that Lloyds were trying to be supportive and to understand Mr B's circumstances, both financially and personally. I believe they tried to demonstrate understanding and empathy. So unfortunately, while Mr B may feel this way, I haven't heard anything to suggest that Lloyds acted as Mr B suggests.

Mr B said that Lloyds then wanted to close his account. During the conversation, Lloyds asked Mr B about how he felt his financial circumstances might change over the next three months. Mr B said that he couldn't see any change, although he was applying for jobs. Lloyds explained that given that Mr B didn't expect his situation to improve, their only option would be to close his account and pass the management on to their debt recovery department. This isn't unusual in these circumstances. While a bank should try to be supportive during periods of financial difficulty, they would normally only provide support for a limited period until Mr B's circumstances improved. But Mr B had suggested that he couldn't see his circumstances improving soon.

Although Mr B had no intention of using his credit card again, he was reluctant for the account to be closed. So, Lloyds suggested that they record that his circumstances might improve, should he secure work. That way, they could agree a plan with him. I believe that despite what Mr B had told them, Lloyds were trying to be as helpful and flexible as possible here.

Lloyds agreed a payment suspension and said they'd stop all charges and interest for three months. They told Mr B that this plan would end on 1 April 2021. They suggested he should contact them near to that time to provide an update.

I've seen the letter that Lloyds sent to Mr B following their telephone conversation. It says that the plan will expire in 11 March 2021. This doesn't agree with what was said in the call. Lloyds have agreed they got this wrong. They've apologised to Mr B and offered £50 to reflect any upset and trouble caused. I believe this is fair in these circumstances. Ultimately, Mr B wasn't impacted financially, and Lloyds corrected their records to reflect what he'd been told during the call on 11 December 2020.

So, from the evidence I've seen and heard, I can't reasonably say that Lloyds have acted unfairly here. I believe that they were trying to be supportive to Mr B. The mistake regarding the plan dates is an unfortunate one. But I believe Lloyds have addressed this fairly. I do realise that Mr B will be disappointed, but I shan't be asking Lloyds to do any more here.

My final decision

For the reasons set out above, I don't uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 31 August 2021.

Dave Morgan
Ombudsman