

## **The complaint**

Mrs and Mr P complain that Lloyds Bank Plc ('Lloyds') inappropriately shared their data.

## **What happened**

Mrs and Mr P had a joint current account with Lloyds.

In early 2022 Mrs and Mr P were engaging with a debt charity and had given it consent to obtain information about them to assist with the support being given. However, they later decided they no longer wished to engage with the debt charity and the evidence indicates that they contacted Lloyds to confirm they didn't want it to send any information to the debt charity on 15 February 2022.

Mrs and Mr P found out the debt charity had later received their bank statements from Lloyds despite their request for this information not to be shared. Mrs and Mr P said that as a result of Lloyds's mistake Mr P ended up having a breakdown and required a lengthy stay in hospital followed by further care which cost him approximately £5000. They complained to Lloyds and asked it to compensate them as well as pay for the cost of Mr P's treatment.

Lloyds looked into things and whilst it had no record it had sent the statements, it accepted that it may well have done and upheld the complaint. It apologised for the error and paid Mrs and Mr P £20 compensation. It also offered to cover call costs if Mrs and Mr P sent it evidence of these.

Mrs and Mr P remained unhappy and brought their complaint to our Service. They felt Lloyds should cover the costs incurred by Mr P's private medical treatment.

Our Investigator looked into things and initially didn't uphold the complaint – this was based on the fact there was no evidence Lloyds had actually shared the statements.

In response Mrs and Mr P said they could provide such evidence and it was confirmed that Lloyds had sent the statements to the debt charity on 16 February 2022.

As part of his review of the complaint, our Investigator also asked Mrs and Mr P about why the disclosure of this information had had such an impact on Mr P. He noted that Mrs and Mr P were already engaging with the debt charity and therefore it would already have had an awareness of their financial circumstances. Mrs and Mr P said that following the disclosure of these statements by Lloyds, they started receiving debt letters and were told about bailiffs - they felt this action was triggered by Lloyds's wrongdoing.

Based on this, the Investigator told both parties they were now upholding the complaint and agreed Lloyds had made an error. However, they didn't think Lloyds needed to do anything further because they didn't think there was a link between the debt collection/bailiffs and Lloyds's mistake.

Mrs and Mr P disagreed so the complaint has been passed to me to decide.

I spoke to the debt charity who confirmed that Mrs and Mr P had entered into an Individual Voluntary Arrangement (IVA) at that time with their creditors. An IVA is a legally binding agreement which can avoid bankruptcy. The bank statements were requested by the IVA supervisor, who worked at the debt charity, as part of their annual review of Mrs and Mr P's financial circumstances. This review was a requirement under the terms of the IVA and the debt charity confirmed that under the IVA agreement, they had the power to request information they needed regardless of whether this was something Mrs and Mr P agreed to.

The debt charity said that following receipt of the bank statements they noticed discrepancies between what Mrs and Mr P had told them and the financial information shown. This discrepancy was then shared with the creditors as evidence of a breach of the IVA and the IVA was ended. Debt collection activity then resumed.

Based on the available evidence, I felt it was likely I'd reach a different outcome to the Investigator. So, I shared my provisional findings with Lloyds and Mrs and Mr P so they both had the opportunity to make any comments or provide further evidence. In brief, I said that it was reasonable of Lloyds to have shared the statements in the circumstances.

Neither party made any further comment, so I'm now in a position to make a final decision on this complaint.

### **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 was really sorry to read about the very difficult circumstances that both Mrs and Mr P have found themselves in over recent years and I would like to take the opportunity to wish them both the best moving forward.

But having carefully considered the evidence, I don't think Lloyds has done anything wrong.

The evidence indicates Lloyds did share the statements with the debt charity after it was told not to. However, these documents were requested by an insolvency practitioner at the debt charity who had a responsibility to investigate Mrs and Mr P's financial circumstances as part of their role as the IVA supervisor.

So regardless of whether Mrs and Mr P wanted the debt charity to receive these statements at this stage, the IVA supervisor had the power to request and obtain this information without their further consent – as Mrs and Mr P had already provided consent when agreeing to the terms of the IVA.

This means that even if Mrs and Mr P told Lloyds they didn't want this information shared, I don't think Lloyds acted unreasonably by providing this information as it did so to someone who had the power and authority to request the information regardless.

### **My final decision**

For the reasons outlined above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P and Mr P to accept or reject my decision before 28 October 2022.

Jade Cunningham

**Ombudsman**