

## **The complaint**

Miss W complains that Lloyds Bank PLC provided her with incorrect information about the minimum payment percentage on her credit card account.

## **What happened**

Miss W contacted Lloyds to discuss a new credit card. She asked Lloyds whether the minimum monthly payments were 1% of the balance and was told yes.

When the paperwork was generated Miss W noticed that the minimum monthly payments were 2.5% of the balance. Miss W queried this with the advisor, who said the minimum monthly payment would be 1% during the interest free period and 2.5% after it ended.

Miss W went ahead with the card and made a purchase. She later discovered that she was required to make a minimum payment of 2.5% of the balance, which she said was not what she had been told and made the credit unaffordable for her.

Miss W complained to Lloyds. In response, Lloyds accepted that Miss W had been misinformed about the minimum payment percentage and paid £100 compensation. It said it was unable to amend the minimum payment amount.

I issued a provisional decision in which I upheld the complaint. I said there was no dispute that Lloyds had provided misleading information to Miss W and I didn't think Lloyds had done enough to put things right for her. I said that Lloyds needed to find a way to enable Miss W to pay what she was expecting to pay for the duration of the interest free period, without causing any negative impact on her credit file.

I invited both parties to let me have any further evidence or arguments they wished to raise before I reached a final decision.

Lloyds responded to my provisional decision and said it would like to offer Miss W a compensation payment of £1606.45 to cover the difference between the 1% minimum payment she thought she would be paying and the 2.5% minimum payment she will be required to pay over the 21 month interest free period. Lloyds said the compensation payment would be credited to Miss W's account to reduce the outstanding balance. Lloyds said that after the end of the 21 month interest free period, Miss W would be required to meet the 2.5% minimum monthly payment on the outstanding balance going forward.

Lloyds also said it agreed with my recommendation that it paid compensation of £250 to Miss W for distress and inconvenience.

I provided details of Lloyds response to Miss W and she confirmed that she wished to accept the resolution offered. She said she would like the £250 compensation payment to be applied to reduce the outstanding balance.

## **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've considered both parties responses to my provisional decision. I think the offer made by Lloyds is fair and reasonable and in line with what I recommended. Miss W has accepted the offer. In the circumstances, I think Lloyds should settle the complaint by applying the sums of £1606.45 and £250 to Miss W's account.

### **Putting things right**

To put things right. Lloyds Bank PLC must apply the sums of £1606.45 and £250 to Miss W's account.

### **My final decision**

My final decision is that I uphold the complaint. Lloyds Bank PLC must take the steps I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 22 February 2023.

Emma Davy  
**Ombudsman**