

## **The complaint**

Miss C complains about the service she got from Lloyds Bank PLC when she contacted it for assistance.

## **What happened**

The background facts of this case are well known to the parties so I won't repeat them in detail here.

Miss C says she called Lloyds around May/June 2020 during the pandemic while she was having financial difficulties in respect of her credit card and overdraft. She says this call she had with the advisor ('Call A') did not go well and it meant she didn't get the support she needed.

Miss C says that because she didn't get the support she needed she has paid two years of unnecessary interest payments which could have been avoided.

Miss C says that in Spring 2022 her finances were in a 'mess' and she was facing near bankruptcy and the lack of support previously from Lloyds was the main contributing factor. Miss C says she can't believe she received such bad service in 2020 and that contributed directly to her more recent debt situation.

Lloyds said it could not find a record of Call A. So it didn't accept what Miss C had said.

Our investigator was persuaded by Miss C's testimony that the call likely did happen and that she was provided with poor service (which she awarded £150 compensation for). However, she was not persuaded the call was fairly responsible for her current situation. She noted any payment plan would not necessarily have forgiven her interest or avoided other adverse consequences such as an impact on Miss C's credit record. She thought Miss C had reasonable opportunity to get support by alternative means at the time too.

Lloyds disagrees with the award made by our investigator. In summary, it says it is unable to find the call record for Call A and points to evidence from Miss C that indicates she had complained about not being able to get through by phone prior to October 2020. So it questions if the call took place.

Miss C says:

- If during Call A the options were properly explained she would have made arrangements that would have avoided her later financial difficulties which has led to her paying thousands in interest.
- Since her recent interactions with Lloyds in September 2022 she has been offered various holds to give her time to sort things out – if she had that back on Call A and offered a hold it would have prevented the spiralling debt and she would have recovered. The situation has cost her a great deal of time, money and stress and has impacted her credit file.

- She thinks Lloyds doesn't have a record of Call A because its systems were not working properly or overloaded due to the pandemic. She says she tried to get through afterwards and couldn't and also was not able to contact via other methods like webchat and branch visits.
- She says Call A caused her to be scared of speaking to Lloyds and it wasn't until 2022 she realised she should have actually had totally different service. She says because of this it had a detrimental impact on her sense of wellbeing and caused anxiety.
- To put things right she would like further favourable re-financing options, refunds of interest payments, compensation for the impact on her wellbeing and adverse information on her credit file reversed.

The matter has come to me to make 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 have considered the evidence submitted by the parties but I won't be commenting on it all. This is not intended as a discourtesy to either party but simply reflects my role resolving disputes informally.

I note Miss C has complained about other things to Lloyds relating to her finances including some recent events. However, I understand this complaint centres on the events surrounding Call A and the likely long term impact on her finances of not being able to arrange a temporary debt solution around this time. So it is this which I will focus on here and the other issues will need to be dealt with separately.

Firstly, can I say I am very sorry to hear about Miss C's ongoing financial difficulties. I hope her situation improves going forward. However, like our investigator I don't think it fair to make the sort of award she wants here. I will explain why.

The difficulty here is the focal point of Miss C's complaint relates to a call which Lloyds has not been able to recover. This presents questions as follows:

- Did the call happen?
- What was said on it if it did?

Where things are not clear I consider what is likely to have occurred on the balance of probabilities.

Miss C has provided a credible account of the call which she says took place with Lloyds around the middle of 2020. Her account of this call is very detailed and she has maintained it throughout her communications. Miss C clearly feels very strongly about the call and from her testimony I consider it unlikely that the call didn't happen. While I accept that Lloyds has said it has looked extensively for the call I think it is not unreasonable to consider the possibility the call record was either lost or improperly recorded. Considering this call would have taken place at the height of the pandemic where there was arguably more technical and resource pressures on firms this could have feasibly increased the likelihood of this occurring. And while I note Lloyds has pointed to later communications with Miss C where she says she had difficulties getting through – I don't think this clearly shows that she accepts that she didn't speak to anyone prior to October 2020 – only that she had difficulties calling about particular issues. So on balance, I am persuaded Call A did take place.

The lack of records here makes it difficult for me to say what took place on Call A. However, Miss C has provided a detailed account. And Lloyds has also explained how it trains its call handlers and what likely would have taken place. So I have used this information to determine what I think has occurred on the balance of probabilities.

Miss C has been consistent throughout that she felt the call handler treated her poorly and was aggressive in his manner. She felt he wasn't as sensitive or as helpful as he could have been. She also says he kept 'yelling' at her that she was bankrupt and this made her think the situation was much worse.

At a fundamental level based on the strong and compelling testimony from Miss C I am persuaded this call didn't go as well as it could have. Miss C has provided a persuasive account of how the call handler made her feel – and I don't think she would have said everything she has done if he had approached things in a more sensitive way, and been clearer about how Lloyds could help. While I appreciate Lloyds was under a lot of pressure during this time – Miss C was clearly experiencing a level of anxiety about her finances and was relying on the call handler for support. Her testimony convinces me that she didn't get treated as well as she should have been.

However, in considering mitigation here I also have to account for the other things which Miss C has said. In particular she has said the quality of the line wasn't good, and that she had trouble understanding the call handler. So although, and on balance, I am persuaded his manner was not as good as it could have been (and upset Miss C unnecessarily during what was already a stressful situation for her) I think that some things were likely a matter of crossed wires rather than an attempt to give Miss C advice on bankruptcy status in the way she has described. Lloyds said its agents are not trained to talk like this and it seems quite unlikely an agent would try to convince a consumer they are bankrupt. I am not saying this is not what Miss C recalls hearing – but I do think the communication issues likely caused some misunderstanding (and also perhaps led to the agent talking more loudly than usual).

All things considered, as I have said I do think the call likely could have gone better and it would be fair for Lloyds to accept some responsibility for that as I am not persuaded the agent handled things as sensitively as he could have. However, as I have said I think there was also likely a level of misunderstanding about some things that were said – which was likely not fairly down to the agent here.

Considering the guidance on our website as to awards for distress and inconvenience I have thought about a fair award for the customer service received here. It is a difficult one as I don't have Call A to base my award on. I also acknowledge that the line was poor which has no doubt contributed to the experience Miss C had here. However, I also factor in here that Miss C was calling about a particularly sensitive and stressful matter and note her compelling description of the way she individually felt treated as a result of the poor service. This has amplified the award somewhat. Compensation is not a science but I consider that £150 as recommended by our investigator is a fair award here in the circumstances.

A big part of Miss C's complaint is how Call A has gone on to impact her financial health long term. As a result she wants substantial amount of interest refunded and other things like amendments to her credit score. However, for similar reasons to our investigator I don't consider it fair to make an award for this aspect of the complaint. I will explain why.

Firstly, as our investigator has indicated – even if Miss C had arranged some debt solution on Call A (or around the time) I think it is unlikely that it would have meant Miss C would not have paid any interest going forward and/or not had adverse information on her credit file. For example, although firms were offering pandemic payment holidays at the time in accordance with the guidance from the Financial Conduct Authority ('FCA') interest could still accrue in arrears which would need to be cleared later. And other options at the time would have likely had adverse credit file implications that could have impacted Miss C (including in respect of her self-employment). So it wasn't a clear case of a debt forbearance option offering a clean solution or a guarantee that Miss C would not face financial difficulty going forward.

I know Miss C has indicated the short hold she wanted would have allowed her to get back on track and prevented her later difficulties. However, there are several variables here in respect of Miss C's self-employment, the pandemic and her personal circumstances that make it difficult to accept Lloyd's actions are fairly the direct cause of her latter situation.

In summary, in regard to causation, I am not persuaded that in not organising a debt solution on Call A (or around the time) Lloyds have likely caused Miss C financial difficulties or additional debt that she otherwise would not have had. Furthermore, I think it is difficult to accept that the many knock on effects which Miss C has described are a reasonably foreseeable consequence of her not arranging a short hold at that time either.

However, even if I were to accept Miss C's current situation is a likely and reasonably foreseeable result of not organising a debt solution on Call A (which I don't) I also would not uphold this aspect of Miss C's complaint in any event. Our investigator has focused on Miss C's ability to mitigate the potential impact here by trying to follow up on Call A. And I agree with this.

Although Miss C does describe the difficulty in calling Lloyds back and I acknowledge that this was no doubt more difficult during the pandemic I am not convinced it was impossible for Miss C to have contacted someone much sooner about this issue whether by phone or in writing. Furthermore, I note Miss C accepts that during Call A the agent offered to pass her to the collections team (presumably to discuss debt solutions further) and also offered to (and apparently did) raise a complaint for her. Miss C says she didn't want to do either of these. But it seems Miss C could have reasonably taken the opportunity to have spoken to other people at Lloyds to explore debt solutions or escalate how she felt about Call A. I conclude this noting she said in her testimony (in respect of her experience with what the agent on Call A told her) *'even then I could sense it was wrong'*.

Furthermore, Miss C says she received several letters about the complaint the agent raised on her behalf on Call A but chose not to follow it up at the time. However, this offered another reasonable avenue to escalate matters with Lloyds. I acknowledge what Miss C has said about how Call A made her feel about Lloyds – but she has also indicated she continued to try and contact them after this, and I also note a complaints avenue would be a suitable route to escalate the concerns about Call A.

All things considered, while I am sympathetic to the ongoing difficulties Miss C has described with her finances I am unable to fairly award more than the £150 our investigator has recommended here. While I accept, on balance Miss C received poor customer service on Call A I don't think this is more likely than not to have directly caused later difficulties or the financial loss she has described. Nor am I persuaded, in any event (and despite the likely difficulties with getting through on the phone at the time) that Miss C was not reasonably able to mitigate the situation around the time in any event.

### **Putting things right**

Lloyds should pay compensation as I have directed below in the event Miss C accepts my decision.

### **My final decision**

Lloyds Bank PLC should pay Miss C £150 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 7 January 2024.

Mark Lancod  
**Ombudsman**