

## **The complaint**

A limited company, which I'll refer to as 'V', is unhappy with several aspects of the service it received from Lloyds Bank PLC.

V's complaint is brought to this service by its director, whom I'll refer to as 'Mr B'.

## **What happened**

To briefly summarise: In March 2021, V received a Bounce Back Loan ("BBL") from Lloyds. During 2022, Mr B tried to contact Lloyds via various channels without success to discuss an important pending matter and the BBL. And in October 2022 Mr B wrote a letter to Lloyds advising that he planned to dissolve V and requesting a face-to-face meeting with a relevant member of Lloyds staff. However, Lloyds didn't respond to these letters.

Shortly afterwards, V missed a payment towards its BBL. And in November 2022, Mr B's ex-wife – who had previously been the company secretary of V – spoke with Lloyds and reiterated that V would be folding. Following this, on 2 December 2022, Lloyds issued a formal demand for full repayment of the BBL to V.

Upon receiving the formal demand letter, Mr B contacted Lloyds and explained that he no longer wanted to dissolve V and that V would soon be receiving a significant payment which would be paid towards the BBL. Mr B further explained that he was unsure exactly when the payment would be received by V but that it would be before Christmas, but that he was going to be overseas until the new year and would make the payment to Lloyds upon his return to the UK.

Mr B honoured his promise to Lloyds and made a significant payment towards V's BBL on 23 January 2023. However, he then discovered that Lloyds hadn't honoured their promise to hold V's account until that time and had passed the account to their collections and recoveries department.

Mr B wasn't happy about this, and he also wasn't happy that Lloyds had spoken with his ex-wife about V's account when she wasn't authorised to do so, or with the ongoing difficulties he'd had trying to discuss V's account with Lloyds, including that Lloyds refused to assign a single point of contact to V's account for him to correspond with. So, he raised a complaint on V's behalf.

Lloyds accepted that Mr B had experienced difficulties in trying to contact them that he reasonably shouldn't have, and they apologised to Mr B for this and made payments totalling £150 to him by way of compensation. However, Lloyds didn't feel that they'd acted unfairly towards V regarding V's other points of complaint and felt that they'd administered V's BBL account fairly. Mr B wasn't satisfied with Lloyds' response, so he referred V's complaint to this service.

One of our investigators looked at this complaint. But they felt the response Lloyds had issued to V's complaint – including the payment of £150 compensation – already represented a fair outcome. Mr B remained dissatisfied, so the matter was escalated 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 issued a provisional decision on this complaint on 25 July 2023 as follows:

*I'd like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. This means that it isn't within my remit here to declare that Lloyds have or haven't acted in a non-regulatory or unlawful way.*

*Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the circumstances and factors of a complaint into consideration.*

*I also note that Mr B has provided several detailed submissions to this service regarding V's complaint. I'd like to thank Mr B for these submissions, and I hope he doesn't consider it a discourtesy that I won't be responding in similar detail here. Instead, I've focussed on what I consider to be the key aspects of this complaint, in line with this service's role as an informal dispute resolution service.*

*This means that if Mr B notes that I haven't addressed a specific point he's raised, it shouldn't be taken from this that I haven't considered that point – I can confirm that I've read and considered all the submissions provided by both V and Lloyds. Rather, it should be taken that I have considered that point but that I don't feel it necessary to address it directly in this letter to arrive at what I consider to be a fair resolution to this complaint.*

*Similarly, I note that Mr B has explained in his submissions to this service how Lloyds actions have impacted his physical and mental well-being. I can sympathise with Mr B in this regard. However, because this complaint has been brought to this service in the name of V, as a limited company – which is because V is the eligible complainant in this instance as per the rules by which this service must abide – I can only consider how the impact of the events in question may have affected V, and I'm unable to consider any impact that Mr B may have experienced himself in a personal capacity.*

*Around the end of September 2022, Mr B wanted to speak with Lloyds about an important matter pursuant to V. Mr B began trying to contact Lloyds to discuss the matter but found that he was either unable to get a response or that the Lloyds staff that he was able to speak with – such as Lloyds' branch staff – were unable to help him.*

*Lloyds have acknowledged this in their responses to V's complaint, in which they noted that Mr B had made numerous telephone calls and had experienced high waiting times, and that Mr B had sent several letters to them and had also gone into branch without success. Lloyds apologised to Mr B for this, and they made payments totalling £150 as compensation for the difficulties that Mr B experienced in this regard.*

*It then appears that Mr B, being frustrated at being unable to have a meaningful discussion with Lloyds, may have chosen to tell Lloyds, in letters posted to Lloyds in October 2022, that he intended to dissolve V, when in fact he did not intend to do so – in an attempt to spur Lloyds into contacting him. And I say this because of the following statement, made by Mr B to this service following the view of this complaint issued by our investigator:*

*"I was trying to get them to respond to a serious situation. What would you do when a bank refuses to speak with you? I tried to tell them how serious the situation was. What other lever could I have used?"*

*Lloyds have no record of receiving the first letter that Mr B sent, but they did receive the second letter, dated 21 October 2022. And this letter states as follows:*

*"I plan on submitting a Companies House DS01 form on Friday 28th October 2022 with a view to dissolving [V]."*

*The letter then goes on to explain how Mr B had tried to contact Lloyds to discuss the issues associated with dissolving V and asks for confirmation that Lloyds were willing to accept the dissolution of V – which would entail V's debts to Lloyds being written off – or that Lloyds arrange an in-person meeting with Mr B to discuss potential ways forwards.*

*Whether Mr B did intend to dissolve V in October 2022 or not, it's clear that Lloyds took the letter from Mr B at face value. And Lloyds notes record that a letter has been received from Mr B which stated that he intended to dissolve V, but that Lloyds would object to any dissolution because of the outstanding BBL balance owed by V at that time.*

*Additionally, on 7 November 2022, Mr B's ex-wife telephoned Lloyds and explained that V had ceased trading and would be dissolved. Furthermore, Mr B's ex-wife also said that V wouldn't be able to make any payments towards the BBL moving forwards, and an income and expenditure review conducted with Mr B's ex-wife confirmed that there was no affordability for V to make the BBL payments.*

*Given the circumstances I've described above – that Lloyds were told both verbally and in writing that Mr B was seeking to dissolve V and that Mr B's ex-wife explained that V wouldn't be able to afford making payments towards the BBL moving forwards – it doesn't seem unreasonable to me that Lloyds would move to issue a formal demand to V for full repayment of the BBL as they did. And this is because I don't feel it's unreasonable for Lloyds to have taken action to try to recover as much of their financial outlay regarding the BBL balance as they could.*

*Mr B has explained that his ex-wife resigned as secretary from V several months before she called Lloyds and that therefore Lloyds weren't authorised to speak with his ex-wife regarding V as they did.*

*But it appears that Mr B – as director of V – never contacted Lloyds and updated them as to the fact that his ex-wife was no longer associated with V, or removed the authorisation for his ex-wife to speak with Lloyds regarding V. And I'm satisfied that it was for Mr B, as the director of V, to update Lloyds in such a way, and that it isn't for Lloyds to check Companies House every time a business customer calls, as Mr B appears to suggest.*

*Additionally, Mr B has confirmed in his correspondence with this service that he asked his ex-wife to call Lloyds on his behalf, and so it seems disingenuous to me that Mr B would ask his wife to call Lloyds about V and then later complain about Lloyds speaking about V with his ex-wife – who called Lloyds at his request.*

*Mr B is also unhappy that, following the issuance of the formal demand notice by Lloyds dated 2 December 2022, Lloyds didn't honour an agreement he made with them on the telephone on 6 December 2022 to hold from commencing recovery action on V's BBL account and to await a large payment that V would be able to make towards the BBL sometime shortly after the new year.*

*Mr B explained to Lloyds that V was expecting a large payment into the business but that it wasn't yet known exactly what date it would be received. And Mr B also explained that because he was leaving the country for three weeks, if the payment was received by V while he was away, he would only be able to forward the money to Lloyds upon his return. However, when Mr B did return to the UK, and did make the payment to Lloyds on V's behalf as he'd promised to do, he found that Lloyds had already moved V's BBL account to the collections and recoveries department – thus going back on the agreement that they'd made.*

*Mr B has confirmed to this service that he was overseas for just over three weeks. But the large payment was received by V on 13 December 2022, while Mr B didn't then forward the money to Lloyds until 23 January 2023 – approximately six weeks after it was received. As such, it's difficult to understand why Mr B didn't make the payment to Lloyds sooner than he did, either before or after he was out of the country for just over three weeks as he was.*

*Lloyds had issued a formal demand on 2 December 2022 that gave Mr B until 16 December 2022 to take the requisite action. So, given that Mr B appears to have delayed making the large payment to Lloyds as he'd promised, following V's receipt of that money, it doesn't seem unfair or unreasonable to me that Lloyds' willingness to wait for the payment had expired or that they moved V's account to their collections department as they did.*

*Mr B did try to speak with Lloyds on 6 January 2023 but was unable to pass Lloyds' security questions at that time. Mr B is unhappy about this, but I don't feel it's unreasonable for Lloyds to have asked security questions about the movements on V's account as they did.*

*Mr B explains that his ex-wife handled V's finances and that he doesn't access V's Lloyds' accounts online. But V does have online banking access. And as Mr B has explained, his ex-wife hadn't been associated with V for approximately a year at the time of that call. As such, I don't feel it was unreasonable for Lloyds to have expected Mr B to have had access to the account movement information needed to pass security, or to then consider Mr B as to have not passed security when he was unable to answer the questions asked of him.*

*Finally, Mr B is unhappy that Lloyds wouldn't assign V a single point of contact with whom he could speak within Lloyds, or that Lloyds paid compensation into V's account while the account was restricted. But Lloyds don't offer a single point of contact for businesses of V's size as Mr B would like. This is a commercial decision that Lloyds are entitled to make, and which was explained to Mr B, and so I'm satisfied that Mr B's expectation in this regard wasn't reasonable. Similarly, I'm satisfied that when Lloyds paid the compensation into V's account that the account wasn't restricted at that time, and only became restricted later.*

*All of which means that I don't feel that Lloyds have acted unfairly towards V regarding most of the points I've discussed above. However, I do feel that the difficulties that Mr B, as the sole director of V, encountered when trying to contact Lloyds, were of greater inconvenience to V than the currently paid compensation of £150 recognises. As such, I'll be provisionally upholding this complaint in V's favour on this limited basis only and instructing Lloyds to pay a further £150 compensation to a company account belonging to V of Mr B's choosing.*

*In taking this position I've thought about the inconvenience incurred by V as a limited company by having its director's time taken trying to contact Lloyds. I've also thought about the general framework which this service considers when arriving at compensation amounts for trouble and inconvenience – further details of which can be found on this service's website. And, having considered these factors, I feel that a total compensation amount of £300 – including the £150 that Lloyds have already paid – is a fair amount.*

*This decision is provisional, and I invite both V and Lloyds to provide any relevant comments or new information they might wish me to consider before I move to issue a final decision.*

*Any submissions that either party wishes to make must be provided to this service no later than 22 August 2023.*

In my provisional decision letter, I gave both Mr B and Lloyds the opportunity to respond and provide any comments or new information they might wish me to consider before I moved to issue a final decision. Lloyds confirmed they were happy to accept my provisional decision, whereas Mr B provided a lengthy response.

I won't be responding to all the points that Mr B has raised here, including those Mr B has raised which I feel I've addressed in my provisional decision letter and which I don't feel Mr B has provided any new information towards that would cause me to change my position. As such, if Mr B notes that I haven't addressed a point that he's raised in his response in this letter, he should refer to my provisional decision letter in the first instance.

In his response, Mr B has asked me to explain what the remedies are for V to either file for bankruptcy or sell the assets of the business to a buyer. But this sits outside the remit of this service, which as explained in my provisional decision letter isn't a Court or Law or a regulatory body, and doesn't operate as such, but is an informal dispute resolution service with a remit focussed on fairness of outcome from an impartial perspective.

I also won't be responding to other points Mr B has raised about matters that sit outside the remit of this service. These include Mr B's dissatisfaction with Lloyds' telephone contact processes. I realise this may be frustrate Mr B. But I can only reiterate that how Lloyds choose to structure its processes are commercial decisions Lloyds are entitled to make.

Mr B has explained that his ex-wife, as well as being the company secretary, was also the finance director and handled the company accounts. And Mr B has explained than when his ex-wife left the company he had to try to manage the company accounts on his own, having had no training on such matters and with no support.

I can appreciate how this would have been difficult for Mr B. But ultimately, it isn't Lloyds fault that Mr B wasn't prepared or reasonably able to manage the company accounts after his ex-wife left the company. And, as the remaining director of the company, I feel it was for Mr B to have made whatever arrangements were necessary to enable the company to continue to function following his ex-wife's departure.

Mr B has questioned my statement that his ex-wife conducted an income and expenditure assessment with Lloyds when she spoke with them in November 2022. However, having listened to the telephone call in question, Lloyds' agent asks Mr B's ex-wife several questions about V's ability to afford its lending commitments moving forwards, and Mr B's ex-wife clearly advises Lloyds that V won't have the affordability to do so.

Mr B has also expressed his unhappiness with my statement that Lloyds don't offer a single point of contact for businesses of V's size, and notes that he was the only point of contact for V because he is the only employee of the company. But my statement here wasn't relation to V but was in relation to Lloyds, who don't offer a single point of contact at Lloyds as Mr B would like.

Another point raised by Mr B surrounds Lloyds having no record of the first letter he sent to them, and he feels that if Lloyds had received that letter, the proposals he made within could have allowed Lloyds to have recovered all the money V owed to them, dependent on Lloyds' support to those proposals. But the support of Lloyds that Mr B feels should have taken place here wasn't guaranteed to have been given or required to have been given by Lloyds. And Lloyds have confirmed that they have no record of ever receiving that letter.

Mr B also draws attention to the agreement he made with Lloyds before he left for his trip overseas and regarding his failed attempt to pass Lloyds' telephone security protocols upon his return. But I don't feel that Mr B has provided any new information regarding these points and my position on them remains unchanged.

Finally, Mr B has reiterated his request that this service instruct Lloyds to arrange a face-to-face meeting with him to resolve his issues. But it's for Mr B to request such a meeting with Lloyds himself – although I encourage Lloyds to work with Mr B in this regard, should they feel it prudent to do so.

I can appreciate Mr B's frustration with how matters with V have progressed. But I don't feel that Mr B's expectations of the service that Lloyds should provide V are inline with the service that Lloyds do provide. Additionally, it doesn't necessarily follow that because the processes of a business aren't suitable for a specific customer – such as V – that those processes are unfair. Rather, it might simply be the case that the business can't or doesn't offer the service or the standard of service that the customer wants the business to offer.

It also must be remembered that V didn't meet its payment commitment regarding the BBL. Despite Mr B's complaint to the contrary, I'm satisfied that this wasn't Lloyds' fault. And ultimately, after considering all the information and evidence available to me in relation to this complaint, including Mr B's response to my provisional decision letter, my position on this complaint remains unchanged.

As such, while I will be upholding this complaint in V's favour, I'll only be doing so on the limited basis that Lloyds must pay a further £150 compensation to V.

### **Putting things right**

Lloyds must make a payment of £150 to V.

### **My final decision**

My final decision is that I uphold this complaint against Lloyds Bank PLC on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask V to accept or reject my decision before 11 September 2023.

Paul Cooper  
**Ombudsman**