

The complaint

Mr W complains that Lloyds Bank PLC (“Lloyds”) gave him inaccurate information about the amount he needed to pay to settle his loan.

What happened

The details of this complaint are well known to both parties, so I won’t repeat them again here. Instead, I’ll focus on giving my reasons for my 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 know it will disappoint Mr W, but I agree with the investigator’s opinion. I’ll explain why.

Where the information I’ve got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I’ve read and considered the whole file, but I’ll concentrate my comments on what I think is relevant. If I don’t comment on any specific point it’s not because I’ve failed to take it on board and think about it but because I don’t think I need to comment on it in order to reach what I think is the right outcome.

On 29 September 2023 Lloyds’ received payment of £17,852.33 from Mr W. That was the amount he’d, been mistakenly, told by Lloyds’ agent would be enough to settle his loan in full. But the correct figure, that included interest and the settlement fee, was more than that. Mr W thinks that Lloyds should stand by their agent’s advice and that he shouldn’t have to “*pick up the tab*” for their mistake.

I don’t think Lloyds were unreasonable to demand payment for the full amount due when Mr W settled his agreement early. Their right to collect that amount was set out in clause 5 of their terms and conditions. That clause explained that “*you must pay us the total amount of your remaining payments under the agreement, less a rebate calculated in accordance with the Consumer Credit (Early Settlement) Regulations 2004. The rebate is a reduction in the charge for credit you’ve agreed to pay us and taking this into account, we will in effect charge you up to 58 days interest.*”

Indeed, despite the inaccurate advice given over the phone, I note that Lloyds emailed Mr W on 28 September 2023 providing an accurate early settlement quote that set out the rebate and the correct amount Mr W would have to pay. Lloyds records show that Mr W accessed that email.

I think Lloyds were reasonable to acknowledge their agent had misadvised Mr W about the settlement required. They agreed to pay Mr W £40 in recognition of the distress and inconvenience that error caused him. I think that was reasonable, but I don’t think it would be fair to expect Lloyds to take any further action.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 28 May 2024.

Phillip McMahon
Ombudsman