

The complaint

Mr A has complained that Lloyds Bank PLC has unfairly closed his credit card account.

What happened

Mr A had a credit card with Lloyds, but it closed the account due to missed repayments. This was also recorded on his credit file. Mr A feels this was unfair, because he received contradictory correspondence from Lloyds.

One of our investigators looked into what had happened, but didn't think the complaint should be upheld. She was satisfied that although Lloyds did send an automated monthly statement that set out a minimum repayment, Mr A would have been reasonably aware from all other correspondence, that he needed to bring his account up-to-date, or it would be closed.

Mr A disagreed. He feels that as the monthly statement gave a date by which he needed to make his monthly repayment, it was unfair to close the account before that date.

The complaint's now been passed to me.

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.

Having done so, I'm not upholding it. I know this will be disappointing for Mr A, but I'll explain why.

During the pandemic, Mr A began missing repayments towards his credit card account. This continued, and Mr A contacted Lloyds. On 14 April 2023, it put a three-month no payment plan in place, which ended on 13 July 2023. Mr A was asked to contact Lloyds if he was unable to make repayments after this date.

Mr A didn't contact Lloyds, because he had personal issue at the time. I'm sorry to hear about this, and I appreciate it must have been a difficult time. But, Lloyds did then send a final demand letter on 14 July 2023. This explained that it would close the account if it didn't hear from him, or receive a repayment. I know Mr A has explained he didn't receive this, but I'm satisfied it was sent.

Mr A then received a statement dated 2 August 2023, which set out the minimum repayment due by 29 August 2023. However, in the interim, he received a letter dated 8 August 2023, saying Lloyds was closing the account.

I appreciate that the statement set out a date of 29 August. However, Lloyds is required to send out a standard monthly statement. And the minimum repayment would indeed have needed to be made by 29 August – but, crucially – this would be if the account were otherwise up-to-date. I think Mr A would have been reasonably aware that he needed to make a repayment in order to do so, or to contact Lloyds, but he didn't. I don't think the

statement was enough to make Mr A reasonably feel his account was back in order.

Taking everything into account, I don't think it was unfair of Lloyds to close the account, and report it to the credit reference agencies, given the history of missed repayments and lack of contact. I do sympathise with Mr A's situation, but I do think Lloyds behaved fairly.

My final decision

For the reasons given above, it's my final decision not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 19 November 2024.

Elspeth Wood
Ombudsman