

## **The complaint**

The trustees of a trust, which I will refer to as T, complain that Lloyds Bank Plc failed to honour an agreement not to charge an arrangement fee.

## **What happened**

Lloyds told us:

- In November 2020 it agreed that it would waive the arrangement fee and bank related security costs on a loan that the trustees had been discussing with the bank.
- It later told the trustees that it would be applying the arrangement fees after all. However, in October 2022 it apologised for its mistake, and confirmed that it would waive the arrangement fee on the loan that its representatives were discussing with the trustees. It paid £80 to apologise for the trouble and upset its error caused.
- The trustees decided after October 2022 that they did not want to proceed with the loan.

T's trustees told us:

- Lloyds reneged on its promise not to charge them an arrangement fee.
- They were satisfied that they had provided sufficient evidence to show that the delays were caused by Lloyds.
- The bank kept moving the goalposts, and has been economical with the truth.
- They have since made alternative arrangements to fund their ongoing projects, but have incurred additional expenses as a result of Lloyds' error.

One of our investigators looked at this complaint, but did not uphold it. She said Lloyds told the trustees in October 2022 that the bank would honour its agreement to waive the arrangement fee. She accepted that there were problems before that date, but she didn't think T's project was delayed or stopped due to Lloyds' failure to honour the agreement not to charge an arrangement fee.

Lloyds accepted our investigator's findings, but T's trustees did not. The complaint was therefore referred to me for review.

## **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 want to stress that this decision is solely about T's complaint that Lloyds failed to honour an agreement not to charge an arrangement fee. I am aware that T has made other complaints

to the bank over the years, some but not all of which have been considered by the Financial Ombudsman Service. I will not make any comments here about any of those other complaints. In particular, that means I will not comment on the trustees' concerns about the bank's delay in making changes to the wording of its standard legal charge, nor will I comment on their concerns that the bank delayed processing T's loan application.

In my view, whilst the background to this complaint is complex, the specific issue that I have been asked to decide is a straightforward one. Everyone agrees that Lloyds made a mistake; the bank accepts that it wrongly told the trustees that it would charge an arrangement fee on the loan at the centre of this dispute. That means there is no need for me to decide whether Lloyds made an error; all I need to do is decide what, if anything, Lloyds needs to do to put its error right.

I have carefully considered the trustees' comments, but there is very little I can add to what our investigator has already said. I think she was right to conclude that Lloyds' error in telling the trustees that it would charge an arrangement fee did not cause T's project to be delayed or stopped. Lloyds did not maintain its position after the trustees complained. In any event, I consider that there were other issues – documented in part in the other complaints that the trustees have made – which affected T's project. In light of the evidence, I cannot fairly conclude that Lloyds' error in respect of the arrangement fee caused financial loss to the trustees.

I note that Lloyds has already apologised for its error, and that it wrote to the trustees in October 2022 to confirm that it would not charge an arrangement fee after all. Lloyds also paid a small amount of monetary compensation for the trouble it had caused. In the overall circumstances, I think that is enough.

I acknowledge that the trustees will be very disappointed with my decision, and I was sorry to hear of the impact on one of the trustee's health. But having taken all the evidence into account, including the further evidence the trustees' provided after our investigator issued her opinion, I don't think it would be fair for me to order Lloyds to do anything more.

### **My final decision**

My final decision is that I do not uphold this complaint against Lloyds Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 6 September 2024.

Laura Colman  
**Ombudsman**