

The complaint

Mr K complains that Lloyds Bank plc ('Lloyds') treated him poorly when he tried to repay his loan account, and is concerned this was racially motivated.

Mr K wants a formal apology from Lloyds, reassurance and compensation.

What happened

Mr K complained to Lloyds that he'd tried to set up a payment plan on his loan account but their agent hadn't supported him with his account. Mr K said he'd been pressed for personal information that he wasn't comfortable sharing. Mr K said he was concerned his treatment was racially motivated and this had left him feeling very upset.

Lloyds said they'd asked Mr K the questions they would have asked of any customer in his situation, to assess the affordability of the payment plan. Lloyds acknowledged that aspects of Mr K's contact with their agents could have been better and apologised for upsetting Mr K. Lloyds also offered Mr K £100, which he didn't accept.

Mr K referred his complaint to the Financial Ombudsman Service. Our investigator reviewed Lloyds' calls and thought Lloyds had asked for appropriate information when setting up a payment plan. Our investigator recognised the level of support provided to Mr K in the calls could have been better, but considered Lloyds' apology and offer of £100 compensation was fair to recognise this in the circumstances.

Mr K disagreed and sought an ombudsman's decision. He said he felt degraded and targeted by Lloyds' questions, and he felt their agent had a hostile tone. He said Lloyds' agent had treated him as though he didn't understand English, and showed no willingness to engage in constructive dialogue to assist him. Mr K said in order to decide what is fair we needed to consider whether Lloyds had been discriminatory.

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.

Mr K said he's not asking for any legal determination of discrimination here, which only a court can provide, rather he seeks recognition that he wasn't treated fairly by Lloyds.

I've considered this carefully, taking into account relevant law – in this case, the Equality Act 2010 – and any relevant rules, regulations and codes of practice as well as what I consider to have been good industry practice at the time.

Having done so I think Lloyds' apology and offer to pay £100 compensation is a fair outcome to Mr K's complaint, so I won't ask them to do more than this. I'll explain why.

I've listened to the calls between Mr K and Lloyds on 11 December 2024, 10 January 2025, 13 January 2025 and 15 January 2025. In these calls Mr K asked about the options for repaying his loan and raised a complaint about how Lloyds had engaged with him.

I acknowledge Mr K was uncomfortable with being asked personal questions about his lifestyle. I don't consider these questions were unreasonable or unusual, as Lloyds were under a regulatory obligation to go through an income and expenditure assessment with Mr K to make sure a payment plan was affordable. Lloyds explained this to Mr K during the calls.

Lloyds also asked Mr K whether the personal circumstances he'd previously shared with them had changed, and how he was impacted by his current situation. I acknowledge this was difficult for Mr K to discuss, but I also recognise that Lloyds are expected to provide appropriate support to their vulnerable customers. I think it would have been very difficult for Lloyds to avoid asking personal questions here, in order to ascertain if the level of support they were offering Mr K met their regulatory obligations. I was pleased to hear that Lloyds took their cues from Mr K in terms of the level of support he wanted to receive.

Lloyds' agent persistently challenged whether Mr K's figures were correct and repeated a lot of figures back to Mr K. I can understand how this likely contributed to Mr K feeling targeted and deliberately misunderstood in circumstances where there was no language barrier.

However having listened to the line of questioning, and the agent's reference to the debts appearing on Mr K's credit file, I think Lloyds' aim here was to verify the figures and produce an accurate assessment of Mr K's financial health. I'd expect Lloyds to do this, although I think Lloyds' agent could have approached this in a more supportive way on this occasion.

Lloyds' agent also pressed Mr K to say whether payments were affordable or whether he wanted his account to be closed and defaulted. Mr K said he'd prefer a payment plan, as he didn't want to accept a default without trying to repay his loan. It was only at that point that Lloyds' agent said a payment plan wasn't an option due to Mr K's income and expenditure assessment. I think Lloyds could reasonably have been clearer about Mr K's options in these circumstances.

I'm also mindful that Mr K had wanted to know if he could offer Lloyds a partial settlement payment for his loan. He only found out how this might be possible towards the end of a 45 minute call, which I think could reasonably have been addressed sooner.

Mr K says he feels Lloyds have discriminated against him given the problems he's experienced. However I don't think Mr K was treated unfairly by Lloyds when he was asked to go through a detailed budget assessment, and asked personal questions. I think Mr K was asked the same sort of questions that would have been asked of any other customer in his circumstances.

I have identified that Lloyds could have better supported Mr K during their calls, which Lloyds accept, but I don't think this goes beyond poor customer service.

I've therefore considered whether Lloyds' offer of an apology and £100 compensation goes far enough in these circumstances.

Taking into account the Financial Ombudsman Service's guidelines for awards of this nature, I think Lloyds' offer of £100 fairly reflects that not providing timely and clear information about Mr K's options added avoidable frustration and upset at the end of a long and exhausting call. This is around the level of compensation I'd have suggested, had I been making an award.

In the circumstances I consider Lloyds' apology and offer of £100 is a fair and reasonable outcome to Mr K's complaint. The £100 should now be paid to Mr K.

Putting things right

Lloyds Bank plc must pay Mr K £100 for his distress and inconvenience.

My final decision

For the reasons I've outlined, Lloyds Bank plc must put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 22 July 2025.

Clare Burgess-Cade
Ombudsman