

## **The complaint**

Mr A has complained that Lloyds Bank PLC unfairly reported a default on his credit file.

## **What happened**

Mr A had an account with Lloyds, and contacted it after being unable to log into his banking app. He discovered his account had been closed, and raised a complaint, but didn't receive a written response.

One of our investigators looked into what had happened. He could see that Mr A's account had been over the agreed overdraft limit for an extended period. Accordingly, collections correspondence was sent, and our investigator was satisfied that these were sent to Mr A at the address he'd provided to Lloyds. As the account wasn't brought up-to-date, our investigator was satisfied the default was then recorded fairly.

Mr A disagreed. He said he hadn't received any of the letters, and Lloyds should have tried another method of contacting him. This is particularly so given the very small sum involved. And although he used the Lloyds app, the 'mail' section was inaccessible.

## **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 as the sum owed was low. But I'll explain why.

Lloyds sent Mr A a number of letters regarding his account, and explaining what he needed to do to avoid a default and account closure. But it received no response. I'm satisfied the correspondence was sent to the postal address on file for Mr A, so I don't think Lloyds was at fault for him not receiving it. And if he was experiencing issues with aspects of the app, he could have reasonably contacted Lloyds about this. I don't think there's anything inherently unfair in Lloyds having used the postal system (and indeed the documents part of the app), and not also phoned or texted. I think it took reasonable steps and used the appropriate address. So, I think the subsequent default was fair and correctly represents the account's status.

Following this, it would be standard for a third party recovery agent to be instructed. Although this can be upsetting, I don't think it's unfair, when monies are owing.

Although I think Lloyds could have responded in writing to Mr A when he complained, I don't think this affected the outcome of his complaint, or prevented our service from looking into things.

## **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 18 May 2026.

Elsbeth Wood  
**Ombudsman**