

## **The complaint**

Mr P and Mrs P complain that Lloyds Bank PLC carried out a search on Mrs P's credit file without her consent, and discussed her data with Mr P.

Mrs P asks that Lloyds accepts liability, explains why her data was used without her consent and pays compensation for the distress caused.

## **What happened**

In June 2025 Mr P contacted Lloyds about applying for a loan or mortgage. Lloyds said an application in Mr P's sole name didn't meet affordability. Mr P said they'd recently received a mortgage agreement in principle from another lender on a joint basis. Lloyds checked affordability for a joint mortgage application by Mr P and Mrs P. It carried out a soft search of Mr P and Mrs P's credit files.

Mrs P says this happened without her knowledge or consent. She discovered it when she checked her credit file. Mrs P says Lloyds told Mr P that she had a credit card (which she says he was previously unaware of), as well as the amount of a commitment she owed and details of a recent payment. Mrs P says this is a severe data breach, which breached her right to privacy and caused tension between them.

Lloyds said it hadn't followed the correct process as it should have checked that Mr P was acting on behalf of both parties. Lloyds said the incident was recognised as a breach and formally reported and recorded. Lloyds said it didn't disclose information about Mrs P's credit card to Mr P.

Lloyds arranged for the reference to the agreement in principle to be removed from Mrs P's credit file. It arranged for the financial association between Mr P and Mrs P to be removed from their credit files after it was made aware of this.

Lloyds paid compensation of £300 to Mrs P for the distress and inconvenience caused.

Our investigator said Lloyds had taken reasonable steps to put matters right.

Mrs P said she hadn't been fairly compensated. She said £300 compensation was insulting and didn't reflect the irreversible damage done to her and their relationship. She said she needed therapy to deal with this and her anxiety.

## **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.

Lloyds accepts that it made an error. I need to consider whether it has done enough to put matters right. We aren't a regulator and we can't punish or fine businesses. When deciding what compensation is fair and reasonable in the circumstances, I need to consider the effect of the error on the consumer.

There's no evidence that the soft search affected Mrs P's credit score. When Mrs P raised her complaint she told Lloyds her credit score wasn't affected. Lloyds arranged to remove the reference to the mortgage agreement in principle and any financial association with Mr P from Mrs P's credit file.

There's no suggestion this had a financial impact on Mrs P. I think it's unlikely that, as a result of Lloyds' error, a third party could mis-use Mrs P's information so as to cause her financial harm.

This matter did cause Mrs P inconvenience and distress. She had to contact Lloyds and ask it to put matters right. Mrs P was unhappy with Lloyds' response and had to contact it again. She's upset that her privacy was breached and that her data was used without her consent. I think it's right that Lloyds paid compensation. I think, for the inconvenience and upset caused by Lloyds proceeding with the agreement in principle and soft search without checking that Mr P was acting for both parties, £300 is fair and reasonable.

Mrs P says this isn't enough compensation for the distress caused, due to the irreversible and damaging mistrust in her previously solid relationship with Mr P. She says her personal information was divulged without her consent and the effect this had on their relationship (and still does) is not only stressful but has made her ill. She says Mr P doesn't trust anything she says. Mrs P says she had to seek help for escalated anxiety, and provided a medical letter to support this.

I'm sorry for the difficulties Mrs P describes. But I must be fair to both parties and consider whether Lloyds made an error which is responsible for Mrs P's worry and anxiety. I've listened carefully to Mr P's call with Lloyds, and I'd note the following.

- When Lloyds said an application in Mr P's sole name wasn't affordable, Mr P said they'd received a joint application in principle via a broker, and it looked like that (a joint application) was what they'd have to do.
- Lloyds checked Mrs P's details with Mr P. Mrs P hasn't said that Mr P wasn't already aware of these details (such as her date of birth and telephone number). Mr P gave Lloyds Mrs P's income, and left the call briefly to check Mrs P's income with her.
- Lloyds' adviser said the credit commitments provided by Mr P didn't match the credit bureau. The adviser asked if Mr P or Mrs P had paid something recently. Mr P asked if this could be a credit card as Mrs P used a credit card. Lloyds asked Mr P if he could check the balance with Mrs P. Mr P went to check, but Mrs P was on a telephone call.
- The adviser said affordability increased when she increased the credit commitments. She said she didn't know what the issue was and that she needed the correct balance to take the matter forward. She offered to call Mr P back later, once they had an opportunity to check their credit files and Mrs P was able to confirm her credit card balance.

Mrs P says Mr P knew what his own commitments were. And so he'd have known that any commitments must be in her name. I understand the point she's making. And I can understand that Mrs P is upset that this discussion took place without her knowledge or consent. But it's not clear to me, having listened to the call, that Lloyds told Mr P anything he wasn't already aware of.

When she contacted us, Mrs P says Lloyds told Mr P she had a financial commitment and even told him the amount. Having listened to Mr P's call with Lloyds, Lloyds didn't tell Mr P the amount of any commitment or recent payment. And while Mrs P says that Mr P was unaware that she had a credit card, that's not consistent with what Mr P said on the call. It

was Mr P that told Lloyds that Mrs P had a credit card. It was Mr P that suggested there could have been a payment to Mrs P's credit card account, which caused a discrepancy between the commitments he'd stated and the credit bureau.

For completeness, I should say that I don't know if matters would have been different if Lloyds had asked Mr P to confirm he was proceeding on behalf of both parties. The plans Mr P outlined on the call required a loan or mortgage, which wasn't affordable in his sole name. Mr P told Lloyds they'd already received a mortgage application in principle in joint names. Mr P checked income details with Mrs P during the call, and tried to check her credit card balance with her. This could suggest that Mr P thought Mrs P knew he was looking into taking out a loan or mortgage and didn't expect her to be concerned about this. If so, Mr P might have confirmed he was proceeding on behalf of both parties, if Lloyds had asked him.

I'm sorry that Mrs P has been caused so much upset, and that there are difficulties in Mr P and Mrs P's relationship. But I can't fairly find, based on the available evidence, that this is due to Lloyds giving Mr P information about Mrs P's credit commitments that he was previously unaware about.

Having carefully considered the available evidence, I don't think it's fair and reasonable in the circumstances to require Lloyds to pay further compensation.

### **My final decision**

My decision is that I do not uphold this complaint. That's because I find that the steps taken and compensation paid by Lloyds Bank PLC is fair and reasonable in the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Mrs P to accept or reject my decision before 12 February 2026.

Ruth Stevenson  
**Ombudsman**