

The complaint

Mr K complains that Lloyds Bank PLC treated him unfairly after he asked it whether it offered bridging loans and whether it would release its charge on one of his properties.

What happened

Mr K has business loans with Lloyds secured on a number of properties. In early 2025 he was planning to sell two of the security properties and buy a new property to live in. He asked Lloyds whether it lent bridging loans and then, when it said it didn't, whether it would release its charge on one of the properties he wanted to sell, in order that he could use that property as security for a bridging loan with another lender.

Mr K complained that Lloyds incorrectly told him it didn't offer bridging finance. He also thought that it was being unfair in not releasing its charge on one of his properties, given the level of his outstanding borrowing compared to the value of the security Lloyds held.

Lloyds said it would release its charge on one of the properties once Mr K's loans had been repaid and it was sorry for some shortcomings in its service. Mr K didn't receive Lloyds' final response, and he referred his complaint to us.

Our Investigator concluded that Lloyds hadn't given Mr K clear and correct information about whether it offered bridging finance. She recommended that it pay Mr K £300 compensation. But she said it had been reasonable in deciding not to release its charge on one of the properties and found that it had agreed to an equitable charge on both the properties Mr K said he was selling.

Lloyds accepted the Investigator's recommendation but Mr K did not, so his complaint has been referred to me to decide.

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.

When Mr K asked his relationship manager at Lloyds whether bridging loans were something Lloyds offered, he was told they weren't. In fact Lloyds did offer bridging finance to some customers, through its private banking division. Mr K says that had Lloyds told him this he would have obtained a bridging loan from it rather than from a new lender, and this would have cost him substantially less.

I understand Mr K's point, but he wasn't a private banking customer of Lloyds. Private banking was only available to customers who met particular criteria. It's also far from certain that Lloyds would have been prepared to offer Mr K bridging finance either at all or on better terms than those he obtained with another lender. In the circumstances, I can't fairly conclude that Mr K lost out as a result of what Lloyds told him about the availability of bridging finance through it. I think Lloyds should have given him accurate information in

response to his question and that he has been caused avoidable upset as a result, and I consider £300 is fair compensation for that.

Mr K also asked Lloyds to release one of his properties from its charge so that he could secure a bridging loan against the property instead. Lloyds wasn't prepared to do that without further information about Mr K's proposal, including revaluations of the properties which would remain under its charge and updated rental details for the properties which were being let. I think its request was reasonable since the properties hadn't been valued since 2012. It told Mr K that it might be prepared to release one of its charges in the light of the value of its remaining security, but it needed up to date information before it could confirm that.

Mr K didn't provide that information, and as a result Lloyds couldn't properly consider his proposal. It didn't therefore release its charge on either property. In the circumstances I don't consider that it treated Mr K unfairly in not doing so. It had told him what it needed in order to assess his request fully and it didn't receive that information. There was a disagreement about whether Lloyds held a charge on the freehold or the lease of one of the properties, but that doesn't change my conclusion that Lloyds was reasonable in wanting more information before making a decision about whether to release one of the properties from its charge. I note that it did agree to equitable charges on the properties as Mr K requested.

I'm satisfied that Lloyds did send an answer to Mr K's complaint – but to the wrong address. Mr K has now complained about that and Lloyds has responded to that complaint separately, so I can't consider it here.

I recognise that Mr K was keen to move home in the light of his poor health, but I don't think that Lloyds was trying to stop him from doing so. The emails between Mr K, his solicitor and Lloyds lead me to conclude that Lloyds was trying to understand his situation in order to assess his proposal. In all the circumstances, I consider that £300 is a fair and reasonable award in recognition of the impact of the shortcomings in its service and in particular its handling of Mr K's question about bridging finance.

My final decision

My final decision is that Lloyds Bank PLC should pay Mr K £300, if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 15 April 2026.

Janet Millington
Ombudsman