

## **complaint**

Mr and Mrs B complain that Lloyds Bank plc (previously Lloyds TSB Bank plc) was irresponsible when it offered them a loan. They ask that Lloyds agrees to accept a reasonable amount in settlement of their debt.

## **background**

Mr and Mrs B say from 2001 onwards, Lloyds offered them increasing amounts of debt, including the loan. Their borrowing was not affordable and they entered into a debt management plan (DMP) in 2010. Mr and Mrs B say Lloyds breached the Lending Code when it offered them the loan and when it applied interest and charges after they entered into the DMP.

The adjudicator did not recommend that the complaint should be upheld. The adjudicator said Lloyds had assessed the affordability of the loan and payments had been maintained for several years. The adjudicator said Mr and Mrs B's loan had become unaffordable due to borrowing from other lenders. She said Lloyds had responded appropriately to Mr and Mrs B's financial difficulties.

Mr and Mrs B did not agree, saying in summary that Lloyds put pressure on them to take the loan. They did not agree that their borrowing became unaffordable due to borrowing from other creditors, saying that Lloyds is their main creditor. Mr and Mrs B say that the loan will take an excessive time to repay under the DMP. They ask that this service looks at the loan together with other lending from Lloyds.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Where there is a dispute about what happened, I have based my decision on the balance of probabilities – in other words, on what I consider is most likely to have happened in the light of the evidence.

I am satisfied from the evidence that Lloyds assessed whether the loan was affordable before offering it to Mr and Mrs B. I am also satisfied that Lloyds took Mr and Mrs B's other debts – including their mortgage, overdraft and credit cards into account – when assessing whether the loan was affordable. Mr and Mrs B were able to make their loan repayments for several years. So I am not persuaded from the evidence that Lloyds had any reason to believe the loan was not affordable.

Lloyds is required to respond positively and sympathetically when told a customer is facing financial difficulties. But this does not mean it has to refund or suspend charges and interest, or write off the debt. I am satisfied that Lloyds responded appropriately to Mr and Mrs B's financial difficulties when it agreed a repayment plan and later suspended interest.

While Mr and Mrs B say Lloyds pressured them into taking on more debt, the evidence does not support this.

Whether Lloyds agrees to Mr and Mrs B's offer to repay part of the loan balance in settlement of their debt is a commercial decision for Lloyds.

**my final decision**

My decision is that I do not uphold this complaint.

Ruth Stevenson  
**ombudsman**