

## **complaint**

Ms G complains that Lloyds Bank PLC has been chasing her for a loan to be repaid which she says was written off in 2010. Ms G wants Lloyds to confirm the loan has been cleared.

## **background**

Ms G took out a loan in 2003 with Lloyds. At some time during the loan, Ms G bought payment protection insurance (PPI) to protect it.

Unfortunately, she ran into financial difficulties in 2009 because she had to stop work. So she contacted Lloyds to make a claim on the PPI policy. But she said she never received the claim forms. So she complained to Lloyds about how badly it was handling her claim.

It was at this point Ms G says Lloyds agreed to write off the loan because it accepted she was going through a difficult time and had mitigating circumstances.

Ms G later complained the PPI policy had been mis-sold to her. Her complaint was successful and she received over £2,500 to put things right.

In 2010, Ms G started getting letters from debt collection agencies asking for the loan amount (over £5,000) to be repaid. She can't understand why Lloyds says this debt is still outstanding and wants it to confirm the loan has been cleared.

Lloyds said it sent several PPI claim forms to Ms G when she asked for them. But it never received a completed form back from her.

It agreed the PPI premiums had been repaid to her after she complained the policy had been mis-sold. But she received the amount in full and no claims had been deducted from it – so it knew she hadn't made a successful claim on the policy.

Lloyds has no record of telling Ms G the loan had been written off. Lloyds actually sold the debt to a debt collection agency in 2010. So it doesn't own the debt anymore. But it says it hadn't made a mistake; it was allowed to sell on the debt and it's still outstanding.

Our adjudicator thought the complaint shouldn't be upheld because there was no record that Lloyds had written off the debt. Ms G disagreed with the adjudicator's view and asked for the matter to be looked at again. She added she'd always paid off her loan instalments regularly without missing any payments. She was definitely told it was cleared and it was shown on her credit report.

## **my findings**

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've decided not to uphold Ms G's complaint. And I'll explain why.

I don't doubt that Ms G paid her loan instalments regularly and without missing a payment – particularly because I've seen her record of payments from Lloyds which shows she paid regularly up until 2009. But I've also seen the notes Lloyds has on Ms G's account, and there's no record of a letter being sent to her which writes off the debt.

Ms G says she didn't keep her copies of the Lloyds letters because she'd moved house. And she didn't think she'd need them five years later to support this complaint. I do appreciate her point, but unfortunately, without any evidence that the letter was sent, I don't think it's fair or reasonable to assume the loan had been written off in the way Ms G says.

I saw that the PPI premiums had been refunded to Ms G in full on the mis-sale complaint – and I don't think there were any reductions for claims made on the policy. So it doesn't look like she'd made any successful claims on the policy to help clear the debt. And Ms G did say she didn't ever receive the forms to make a claim. So it doesn't look as though the PPI policy was used to pay off the loan either.

So there's nothing I've seen on this case to prove Lloyds made a mistake by selling a written off loan to a debt collecting agency. And taking everything into account, I don't think there's enough here to show Lloyds did anything wrong.

### **my final decision**

My final decision is that I do not uphold this complaint and I make no award against Lloyds Bank PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 21 January 2016.

Amrit Mangra  
**ombudsman**