

complaint

Mr M, represented by his solicitor, complains that Lloyds Bank PLC provided him with poor service and that the compensation offered for this was not enough.

background

Mr M was told that adverse information would be removed from his credit file but says a default was then applied. He also said that when he tried to make a large payment this was not accepted and he was told his account was closed.

The bank says that it agreed to remove adverse data prior to 3 May 2011 because of the incorrect information Mr M had been previously given. It says it did not tell Mr M that no adverse information would be recorded going forward. It says that it set up several repayment plans for Mr M but these were broken. It says that letters were sent to Mr M saying that his account needed to be paid in full.

The adjudicator said that although the bank gave the customer misleading information regarding the credit file she did not find that the bank had been wrong to default the account. She said that the bank had agreed to pay Mr M £200 to compensate him for the inconvenience caused by the conflicting information he had been given. She said she found this offer fair.

Mr M's solicitor put forward a counter offer dated May 2015 saying Mr M would accept £350 compensation and his credit file showing his account to be in an arrangement plan rather than default. In a further letter dated August 2015, Mr M's solicitors said he would accept £350 compensation in full and final settlement.

The bank understood the £200 compensation had been agreed and paid this to Mr M. Mr M's solicitor's then chased the £150 missing from the amount they believed had been agreed.

An ombudsman review was requested to decide the appropriate level of compensation.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I have looked at the original complaint raised by Mr M and the information gathered through the investigation and I find nothing to suggest that the default was not recorded correctly.

The outstanding issue is whether Mr M should receive the additional £150 compensation.

Mr M was sent a letter dated 3 May 2011, which said that because he had received incorrect information about what would be reported to the credit references agencies the bank would amend his credit report to show no past arrears. It also said that moving forward any updates will be correct and that they would only be amended if a mistake was made. I understand he was not then expecting a default to be recorded shortly after.

But, because I find that the default was recorded correctly, I find that compensation is only required for the upset the confusion arising from this letter caused. I find that the £200

offered and paid is fair and reasonable to cover this and the inconvenience Mr M experienced when he was unable to make a payment to his account because it had closed.

my final decision

My final decision is that the bank has done enough to settle this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M's solicitor, on Mr M's behalf, to accept or reject my decision before 30 December 2015.

Jane Archer
ombudsman