

## **summary of complaint**

Mrs and Mr T have complained Lloyds TSB Bank Plc did not take into account their financial position when repayment of a loan was discussed. They are seeking a repayment plan with payments of £300 per month to be made towards the debt.

## **background to complaint**

Mrs and Mr T approached Lloyds for a loan of over £80,000 in 2007. By late 2008 a payment towards the loan had been missed and Mrs and Mr T informed the bank this related to a period of ill health suffered by Mrs T. Lloyds sought information regarding Mrs and Mr T's income and expenditure, which revealed a monthly deficit of around £700.

Lloyds had a meeting with Mrs and Mr T to discuss the situation. At this time it was noted by the bank that they had a number of debts. By early 2009 Mrs and Mr T had contacted the Citizens Advice Bureau (CAB) and it requested some information from Lloyds.

The bank received updated income and expenditure details showing a positive income and the CAB made offers for token payments towards the debt owed. These offers were rejected by the bank and it began the process of passing the debts to its recoveries department. Lloyds made suggestions that one of Mrs and Mr T's properties should be sold to reduce the debt, but the latter did not wish to pursue this option.

A complaint was referred to this service by Mrs and Mr T and it was considered but one of our adjudicators. He concluded that the bank's position, which was that Mrs and Mr T's property interests should be taken into account when considering repayment, was not unreasonable.

Mrs and Mr T rejected this assessment and asked that the complaint be considered by an ombudsman. They said the bank should accept reduced repayments as they were seeking planning permission on one of their properties with a view to increasing its market value so the debt could be repaid.

## **my findings**

I have considered all the available evidence and arguments from the outset, in order to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I have reached the same conclusion as the adjudicator, for broadly the same reasons.

Mrs and Mr T would like the bank to accept payments of £300 per month, which would have only a modest impact on the debt owed, until they are able to obtaining planning permission on one of the properties they own so a greater market value can be achieved.

It is not reasonable in my view to expect the bank to delay recovery of a debt owed to it for, potentially, a number of years on the basis of something that may or may not happen in the future. Mrs and Mr T have sent in details of the actions they are taking and I do not doubt they are sincere in their attempts to repay the debt owed. However, there is no guarantee that the planning permission will be forthcoming and likewise it cannot be confidently predicted how the property market will be in the future.

The bank is entitled to seek recovery of the debt and can legitimately consider the full financial position of Mrs and Mr T. While they appear to have limited disposable income to

repay the debt, they do own a number of properties and equity is available to reduce the size of the debts owed.

**my decision**

For the reasons I have given, my final decision is that I do not uphold this complaint.

Roger Yeomans  
**ombudsman**