

complaint

Mrs Q's complaint against Lloyds Bank PLC concerns her credit card and an associated payment protection insurance (PPI) policy. Specifically, she is unhappy that a PPI claim was declined and that default charges were applied whilst that claim was being considered. Mrs Q is also unhappy that Lloyds has passed the debt to a collections agent after saying that it would not and that it has failed to provide statements for 15 years.

Mrs Q is represented in her complaint by a relative, who I shall refer to as Mr Q.

our initial conclusions

Our adjudicator did not recommend that the complaint should be upheld and also considered that we were unable to look at certain aspects. She thought that the elements of the complaint relating to the claim and the default charges applied in 1998 and 1999 could not be considered because they happened too long ago. Further, she considered that Lloyds was entitled to employ an agent to deal with the recovery of the debt and that it was not obliged to send statements on the account after it had defaulted.

Mr Q responded to say that the time limits set by the *Dispute Resolution: Complaint (DISP)* rules do not apply in cases where misconduct or malpractice has led to consumers incurring interest and charges. More recently Mr Q has said that a complaint was raised with the bank around the time of the events – 1998 or 1999. He has also said that he considers the adjudicator was wrong in assuming that the PPI policy was provided by Aviva or one of its predecessors. Mr Q also said that a member of Lloyds' staff had come to a verbal agreement with Mrs Q to keep her debt in-house if she maintained repayments.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

the PPI claim and default charges

We do not have a free hand to consider every complaint that is referred to us. The rules under which we operate say if the business raises an objection then we cannot consider a complaint which is referred to us more than six years after the event complained of, or more than three years after the complainant ought reasonably to have been aware that he had cause for complaint.

Mr Q has made clear that the issues surrounding Lloyds' handling of the PPI claim and the charges applied to Mrs Q's account took place in 1998 or 1999. Mrs Q brought her complaint to this service in 2013. This is significantly more than six years after the last of those charges was applied or any PPI claim. To be able to consider the complaint, I would need to conclude that it would not be reasonable to expect Mrs Q to have realised she had cause for complaint before early 2010 (three years before she brought her complaint).

I find that Mrs Q ought reasonably have been aware of the events about which she complains at the time they occurred. I am also satisfied that she would likely have been referred to this service, or its predecessor, had she complained at the time. I should also make clear that I am not persuaded there is any reason why these events might not be subject to the DISP rules.

So, I am satisfied that the complaint Mrs Q has against Lloyds – with regard to an insurance claim – is outside our jurisdiction. But that is not to say that she cannot complain directly to the insurer – whichever business that might have been. I have not considered the role of the insurer in any claim that Mrs Q might have made under the policy.

For the sake of completeness I should also say that even if I saw evidence to persuade me that a complaint had been raised with the bank in 1998 or 1999 I would not consider it appropriate to investigate the merits of the complaint. I say this as I am able to dismiss a complaint without consideration of its merits for any '*other compelling reasons*' (DISP 3.3.4R (17)). I find that a delay of some fourteen years between complaining to the bank and raising the complaint with this service would fall into that category.

Lloyds does not have to maintain control of the debt

Generally speaking, businesses are entitled to employ agents in the collection or pursuit of a debt, or to sell debts on to separate companies. Having read the terms of the account I am satisfied that Lloyds is able to do so in the case of Mrs Q's credit card account.

Mrs Q argues that a member of Lloyds' staff told her it would retain control of the debt. In cases where consumers are given the wrong information we aim to place them in the position they would have been in had they been given the correct advice – not as if the incorrect information were true. It follows that if I were persuaded that Mrs Q were told her debt would stay '*in-house*' I would not order Lloyds to recall the debt.

In all the circumstances I am not persuaded that Lloyds made any error in employing an agent to administer the collection of Mrs Q's debt or that in doing so it breached any duty of confidentiality it had to her.

Mrs Q seemingly considers that Lloyds may have committed criminal offences in pursuing her for the debt. This service cannot consider these issues.

Lloyds does not have to provide statements

The Lending Code, and the Banking Code that preceded it, require that businesses provide consumers with regular statements '*if appropriate*'. In this instance Mrs Q no longer holds an account – she merely owes a debt. That debt no longer incurs interest or charges and, therefore, all repayments are used to reduce the balance. In these circumstances I am not persuaded that Lloyds is obliged to send statements.

my final decision

My decision is that we cannot consider the parts of the complaint relating to the PPI claim or the default charges.

My final decision is I do not uphold the remaining elements of the complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs Q to accept or reject my decision before 9 March 2015.

Joyce Gordon
ombudsman