

complaint

Mr M complains that Lloyds Bank plc transferred his debt to a third party even though he had a repayment plan in place and that he has been harassed for the repayment.

background

Mr M fell into financial difficulties. He sent the bank an income and expenditure form in April 2013 and made an offer to pay £1 per month towards his debt. He says that because he was making these payments his account should not have been transferred. Mr M says that by passing his details to a third party without his permission, the bank has breached the Data Protection Act (DPA). He also says that he has asked for his phone number to be removed from the bank's records and that contact should be made by email but this did not happen. Mr M says that he is being harassed for the repayment.

The bank says that Mr M did not have an agreed repayment plan in place. It says that it wrote to Mr M to explain that based on his income and expenditure it would recommend that his account was transferred to its recoveries department. This letter explained that this would stop interest and fees being applied but a default would be recorded on Mr M's credit file. Mr M's account was transferred in October 2013. The bank says that Mr M was told to contact the recoveries department to discuss repayment.

The adjudicator did not uphold this complaint. She did not find that a repayment plan had been agreed on Mr M's account and said that the bank had told him that his account would be transferred to the bank's recoveries department. She explained that the bank was required to treat customers who are in financial difficulties positively and sympathetically and found that the bank had properly assessed Mr M's financial situation. She also set out the information in the bank's terms and conditions about how it would use personal information and share it with its agents.

Mr M did not agree. He said that the DPA says that an organisation has to have written permission to share data with other parties and that he had not provided this to Lloyds and so his details should not have been passed to the collections agents.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I understand that Mr M has had other complaints with the bank. My decision relates to Mr M's complaint about his current account and his complaint about the sharing of his personal information and the harassment he has faced.

The adjudicator has explained that banks are required to treat customers facing financial difficulties positively and fairly. The bank provided Mr M with an income and expenditure form to complete to assess his situation. Although Mr M offered to pay £1 towards his current account debt, the bank is not required to accept this. Based on the information provided to the bank it recommended that Mr M's account be transferred to its recoveries department. It explained what this would mean in terms of interest, fees and information on Mr M's credit file. I find that the bank has acted positively towards Mr M and do not find it unreasonable that it transferred his account to its recoveries department.

Mr M has also said that the bank has breached the DPA by passing his details to a third party without his permission and that he has been harassed about the repayment of his outstanding debt. I understand that receiving calls about repayments can be distressing. However I do not find it unreasonable that the bank or its agents contact Mr M to discuss his outstanding debt given that repayments were not being made. The adjudicator has explained that the bank's terms and conditions set out that the bank may share personal information with its agents or others involved in collecting debts owed to the bank. Mr M agreed to these terms and conditions when he agreed to his account.

Because the bank has acted within its terms and conditions and has provided Mr M with information about what will happen to his account and who to contact to discuss repayment, I do not find that it has done anything wrong by transferring his debt. I understand that the bank has now agreed to remove Mr M's phone number but has explained that it cannot use email to deal with his accounts because this is not considered secure. I find this reasonable.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr M to accept or reject my decision before 18 December 2014.

Jane Archer
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