

## **complaint**

Mr Y complains that interest and charges should not have been applied to his account by Lloyds Bank PLC (formerly Lloyds TSB Bank Plc). He also says that a default should be removed as promised by the bank.

## **background**

In 2003 a freezing order was applied to Mr Y's account with Lloyds. There was a debit balance on the account at that time and interest and charges were subsequently added. Mr Y says he could not access the account and Lloyds did not contact him about the debt. Mr Y agreed a repayment schedule with Lloyds but a default was registered as a result of the debt. Mr Y says Lloyds agreed to the removal of the default but then did not remove it. Lloyds accepts that it misinformed Mr Y about the removal of the default and offered compensation of £100.

Our adjudicator did not recommend that this complaint should be upheld as she considered that Lloyds had acted responsibly. Mr Y disagreed saying, in summary, that the court froze the account so he could not use it and Lloyds applied a marker to the account so he could not pay money in.

## **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 appreciate Mr Y's frustration with this matter which originated with a debt now over ten years old. Although the debt is now cleared, a default which was lodged as a result of the debt continues to cause him problems. There was a debit balance on Mr Y's joint account with Lloyds. Mr Y says that the freezing order prevented him paying off the debt and, in addition, Lloyds applied a marker which would have prevented him paying the debt. In any case Lloyds did not remind him of the debt.

Lloyds says the freezing order did not prevent the debt being paid off and the bank would have accepted credits to the account. Furthermore Mr Y would have known from his statements that there was a debit balance on the account.

As evidence Mr Y has sent us a copy of a court order dated 1 September 2003. This indicates that there was a restriction applied to his account but does not say what that restriction is or that it prevents Mr Y lodging credits to that account. Although there is disagreement between the parties as to whether a marker was applied to the account, Mr Y does not say that he attempted to pay in money and was prevented from doing so by Lloyds. It does not seem therefore that this marker, if it was applied, inconvenienced Mr Y by stopping him from clearing off the debt.

I accept, on balance, that Mr Y continued to be aware of the debt because he continued to receive statements, but I am not persuaded that the court order stopped Mr Y from clearing the debt. As the debt appears to have been properly due and Lloyds issued the appropriate notices, I cannot fairly say that it should not have applied a default to this account. I appreciate that Lloyds wrongly told Mr Y that the default would be removed and as it did not do so, Lloyds offered £100 as compensation for Mr Y's distress. I consider that sum to be fair and appropriate. However for the above reasons I cannot fairly uphold this complaint.

**my final decision**

My decision is that Lloyds Bank Plc should pay Mr Y £100 unless it has already done so.

Gerard McManus  
**ombudsman**