

## **complaint**

This complaint is about a current account and personal loan held with Lloyds Bank PLC. Mr and Mrs P say Lloyds provided the loan to Mr P irresponsibly, because it searched Mrs P's credit file (rather than his) and failed to check he could afford it. They say the overdraft shouldn't have been approved because only Mr P had applied, and the account was jointly held at the time. The current account's now in Mr P's sole name.

## **background**

Our adjudicator didn't think Lloyds had done anything wrong. Mr and Mrs P want to continue with the complaint, so it comes to me to review.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I agree with the adjudicator.

Mr and Mrs P say Mr P shouldn't have been accepted for credit because a) he didn't earn what he said he earned and b) because he has a gambling addiction. I understand their argument, but I don't agree with it. It might be prudent for a lender to check what a consumer tells it, but the lender's not necessarily negligent if it doesn't. Also, consumers have a duty to act in good faith and accept some responsibility for their actions.

So it may be that Lloyds agreed a loan that Mr P couldn't afford, but if it did so because Mr P overstated his earnings, then I can't fairly say the bank's at fault. As far as Mr P's spending habits are concerned, if Mr P had told the bank of his gambling problems, then I'd expect the bank to take that into account when deciding whether lending to him was a good idea. But there's nothing to suggest he did tell the bank; and I don't think it was the bank's job to make moral judgements about its customers.

As to the overdraft, the current account was held jointly at the time, but is now Mr P's sole responsibility. The very nature of joint current accounts is that the bank may act on the authority of either account holder; it doesn't need both. That's why one account holder can issue a cheque or make a card transaction on their own. So, when Mr P asked the bank for the overdraft, Lloyds wasn't required to check with Mrs P before saying yes.

Mrs P believes that when it approved the lending, the bank searched her credit file rather than her husband's. It's not immediately clear why she believes that. As far as I can tell, it's because the bank didn't deny doing so when she accused it. I'm afraid that's not a proper basis for me to conclude that it actually happened, though.

I've seen Mrs P's credit file, and it does show where searches have been carried out on her by potential creditors that Mr P has approached. The search history only goes back to January 2015, which is after Mr P took out the loan but before he took out the overdraft. Even so, there's no entry on Mrs P's credit file showing a search done by Lloyds in connection with Mr P.

Lastly, Mr and Mrs P say the bank hasn't dealt properly with an accusation of fraudulent activity. It seems that the bank's given them the details of the relevant department to contact, and Mr and Mrs P have now done so.

If they're not happy with the outcome of any fraud investigation Lloyds might conduct, Mr and Mrs P can complain separately about that; to the bank first and then to us if need be. But as the matter is currently ongoing, there's nothing for me to address here.

**my final decision**

My final decision is that I don't uphold this complaint. I simply remind Lloyds Bank of its duty to help consumers who owe it money but are having difficulties paying it back, and to treat them fairly

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs P to accept or reject my decision before 7 March 2016.

Jeff Parrington  
**ombudsman**