

## **complaint**

Mr J complains that Lloyds TSB Bank Plc was irresponsible in approving a consolidation loan that left him in a worse position than before.

## **background**

Mr J took out a loan with the bank to consolidate two existing credit card debts and another loan. He says he was mis-sold the loan as it was offered on a “buy now, pay later” basis so he could eventually transfer it onto his mortgage. But that was not actually possible. He says the loan was expensive and he was unable to afford it, particularly when his wife retired.

Our adjudicator did not recommend that the complaint should be upheld. In summary, he concluded that:

- The bank’s notes suggest that the loan refinanced other debt and he could not see that it substantially changed Mr J’s position.
- The loan provided a structured way for him to repay the existing debts, reducing his monthly payments and Mr J had signed the agreement accepting the loan and its terms and conditions.
- He could not see anything to support Mr J’s contention that the bank’s representative had assured him that he could definitely transfer the loan onto his mortgage.
- Lloyds TSB had considered the affordability of the loan based on Mr J’s household income and expenditure, as it was entitled to do, and, with help from his wife, Mr J has not missed repayments or struggled to meet the repayments. So it seems the loan was affordable and met his needs.
- The facts that the loan included PPI and the bank has now refunded the payments made for that, do not mean that the loan itself was wrongly given.
- He could not say that Lloyds TSB had acted irresponsibly in agreeing the loan.

Mr J does not agree. In summary he says that the loan was not affordable when taken out and the PPI issue shows that the loan was taken out “under a cloud”. He notes that he had to take payment holidays on occasions and he has asked for an ombudsman review.

## **my findings**

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

Where the evidence is incomplete, inconclusive, or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in the light of the available evidence and the wider circumstances.

Having done so, I agree with the conclusions reached by our adjudicator for broadly the reasons given.

A bank is entitled to decide for itself whether it wishes to deal with a customer. In this case Lloyds TSB clearly considered Mr J's household income and expenditure and the affordability of the consolidation loan before deciding to offer it to Mr J, as it was entitled to do. While Mr J may now disagree with the bank's reasoning and decisions, these are matters of the bank exercising its commercial judgement, in which we would not normally interfere.

I am not persuaded that the loan was unaffordable at the time, not least as payments have been maintained. I am also not persuaded, on balance, that it was mis-sold to him or that he is worse off as a result of taking out the loan.

Furthermore, and in any event, Mr J says he was not given time to consider the loan but he signed the loan agreement agreeing to be bound by its terms and conditions and so presumably he was happy at the time that it was suitable for him and met his needs.

Overall, although I recognise Mr J's strength of feeling, I see no compelling reason to change the proposed outcome in this case.

#### **my final decision**

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

Stephen Cooper  
**ombudsman**