

complaint

Mr V complains that Lloyds Bank PLC refuses to accept that he deposited £2,000 in cash at one of its branches to pay off his loan. He considers it should acknowledge it received the money, close his loan account and remove any adverse information it may have registered on his credit file about the loan.

background

Mr V explained he was in the process of applying for a new financial product. Because of this he decided to pay off his outstanding loan. He said he initially went to the branch and paid off the loan using a cheque from his wife and cash. But he said the bank called him to say that there was a problem with the cheque so he went to the branch and made further cash payment.

Mr V said he thought the loan was paid off and only realised this was not the case some while later when he found to his surprise that the bank considered he still owed it money.

Our adjudicator did not recommend that the complaint should be upheld. On balance he was not persuaded that Mr V had demonstrated that he had made the second payment.

Mr V did not accept this recommendation. He repeated his previous stance that he had made the second payment. He said the only explanation was that the bank had acted dishonestly and most likely someone in the branch had stolen the money.

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 there is a dispute about what happened (as is the case here), I have based my decision on the balance of probabilities - in other words, on what I consider is most likely to have happened in the light of the evidence.

Mr V says prior to making the first payment to the bank he had obtained cash from a third party. He then paid this cash to his wife who put it into her account. She then gave him a cheque which he used to pay the bank. Mr V has not explained why he took this circuitous route rather than paying the cash directly to the bank. Further, Lloyds says that the cheque was initially processed on the day it was paid in. But the transaction was subsequently reversed because the account holder reported the cheque book missing. I find it difficult to understand why Mr V's wife would have given him a cheque from a book which she then reported missing.

Mr V tells us the bank called him – on the same day he paid in the cheque - to tell him that it could not process the cheque and he would have to come in and pay cash instead. The bank tells us this is not its process and in any event it has no record of any such call being made. As mentioned above it also says it did process the cheque. Mr V insists he did receive the call he tells us about. He suggested he was going to send us his phone records to demonstrate this but has not done so.

Mr V tells us he came in and made a second payment in cash but got no receipt. It is not clear if he did ask for one. But in any event Lloyds says it has no record of this payment and that there were no cash differences on that day.

Lloyds says it sent a letter to Mr V's address in January 2012 telling him the loan had not been paid off because the cheque did not clear. I see no reason why this letter would not have been delivered. I consider this letter ought to have put Mr V on notice that the loan was not paid off. But he tells us he knew nothing of this until May 2012 when he received a loan statement

Mr V is very clear he says that the bank's employees worked together to defraud him. The bank has confirmed it did carry out an inspection, it says that none of its staff have had similar complaints made about them in the last 12 months.

For these reasons I am not persuaded that on balance Mr V has demonstrated that he made the second payment. It follows I do not consider it fair and reasonable to ask Lloyds to credit his loan account with the payment as he suggests and I do not uphold this complaint.

my final decision

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

Joyce Gordon
ombudsman