

## **complaint**

Mr and Mrs C complain that Lloyds TSB Bank Plc irresponsibly provided them with further credit through their current account, credit card and two personal loans. They also complain that Lloyds TSB did not respond positively and sympathetically to their financial difficulties, and that they should have been allowed to remove Mrs C's name from their joint current account.

## **background**

In September 2011 Mr C became unwell and could not work due to his health. Mr and Mrs C had the following accounts with Lloyds TSB.

### *credit card*

Mr C applied for a credit card in 2007 and was given a credit limit of £6,000. He made two balance transfers totalling £5,000. He transferred existing debts, so did not increase his overall level of debt. The transfers were subject to a 0% interest rate until 2008.

Minimum payments were met until 2010. Ad hoc payments were made until September 2011 when the account was passed to Lloyds TSB's collection department.

### *two loans*

Mr C took out a loan in 2006 and 2007, each one for £10,000. Lloyds TSB said the loans were taken out to consolidate existing debts. The first loan was repaid in 2011, and the second was repaid in June 2012 following a refund of payment protection insurance.

### *current accounts*

Mr and Mrs C had a joint account with a £200 overdraft limit. The account was maintained within this limit until after Mr C became unwell. Mr C asked for Mrs C's name to be removed from their joint account, but was told by Lloyds TSB this was not possible because the debt was now with its collections department.

Mr C had a sole account, which had a £2,500 overdraft limit. The account was generally maintained within its overdraft limit.

### *Adjudicator's view*

The adjudicator did not recommend that the complaint should be upheld. She was satisfied that Lloyds TSB had not irresponsibly provided Mr and Mrs C with credit. She was also satisfied that it had responded positively and sympathetically to their financial difficulties because it had suspended charges and interest on their current accounts and credit card account.

### *Mr and Mrs C's view*

Mr and Mrs C disagreed with the adjudicator, and said in summary, that they had asked for Mrs C's name to be removed from the joint current account some years before. They had been told then this was not possible. But based on what they had been told now, it should have been. Mr C said he did not discuss with Lloyds TSB what he was going to use the loans for, and a thorough financial assessment was not completed. He says that Lloyds TSB was responsible for loading them with debt, because of its lending culture. And then when he tried to discuss his financial position with Lloyds TSB it was not helpful.

## **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 have carefully considered the detailed representations that Mr C has made. However, this service is not a regulator. It is, therefore, not for us to 'fine' or 'punish' a bank for its actions, or its lending culture. But instead to aim to put the customers back in the position they would have been but for the banks improper acts or omissions, which caused the loss. I am sorry to disappoint Mr and Mrs C, but I do not consider that Lloyds TSB has acted improperly here.

### *irresponsible lending*

I am not satisfied that Lloyds TSB irresponsibly provided Mr and Mrs C with further credit – the personal loans, credit card and overdraft facilities. In the main, Mr and Mrs C were able to maintain these accounts in good order for a considerable time after each credit arrangement was entered into, and in most cases up until Mr C became unwell. This indicates that they could afford to meet their debts until Mr C's situation changed. Lloyds TSB could not reasonably have foreseen that Mr C would become unfit to work when it provided the credit facility. Both loans have now been paid off, and the credit card debt refinanced existing debts at a preferential interest rate for a period of time.

### *removal of Mrs C's name from the joint account.*

I do not consider that Lloyds TSB responded unreasonably when it did not allow Mr C to remove his wife's name from their joint current. Mrs C is jointly and severally liable for any debt on this account, and I do not consider that it acted unreasonably by maintaining the opportunity to pursue both parties for repayment.

I have not considered whether Mr C should have been allowed to remove his wife's name from the account on an earlier occasion. This does not form part of this complaint.

### *financial difficulties*

I am of the view that Lloyds TSB responded positively and sympathetically to Mr and Mrs C's financial difficulties. Under the Lending Code banks are not required to write debts off, but to respond positively and sympathetically to their customers' financial difficulties. Lloyds TSB has written off charges and interest and moved their accounts to its collection department to avoid further charges and interest being levied. I consider this to be a reasonable response in the circumstances.

## **my final decision**

For the reasons explained my decision is that I do not uphold Mr and Mrs C's complaint.

Kim Parsons  
**ombudsman**