

## **complaint**

Miss T complains that Lloyds Bank PLC acted irresponsibly when it agreed a loan she could not afford and told her she could make her repayments out of her state retirement pension.

## **background**

In September 2010, Miss T took out a loan for just over £10,000. This was to repay an existing loan, clear her overdraft and to fund a family holiday. Miss T says this represented irresponsible lending by Lloyds as it extended the length of her previous loan by 11 months and meant she would still be repaying the loan after her 60<sup>th</sup> birthday.

Miss T says she told Lloyds she was worried about this because she would stop receiving any income when she was 60. She says Lloyds assured her this was not a problem as she could make repayments from her state retirement pension. Miss T says this wouldn't have been responsible lending had she been dependent upon her state pension, but in fact the pension age has been raised and she will not now receive this until she is 65. Miss T wants Lloyds to take some responsibility for the outstanding balance on her loan.

The adjudicator did not recommend that the complaint should be upheld. He said that he had not seen sufficient evidence to be satisfied that Miss T raised her concern about how she would repay the loan after she was 60 or that she was told it could be paid from her state pension. The adjudicator said that if Miss T had been concerned about this, she had been free at the time to decline the loan. He also said that legislation had been agreed in 1995 to raise the age at which women would receive the state pension and so this would have been known in 2010.

Miss T did not agree. She said she had asked what would happen when she turned 60 and had been told that she could make repayments from her state pension.

## **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 light of the available evidence and the wider circumstances.

Lloyds had a duty to lend responsibly to Miss T. Although Lloyds had to take into account her age, the bank is still entitled to consider her request for a loan and to make a commercial decision about whether to lend to her.

There is no recording of the meeting in 2013, but I have read what Miss T says she remembers was discussed and I have looked at notes of the meeting which the bank has provided. The notes make no reference to Miss T raising a concern about how she would repay the loan after her 60<sup>th</sup> birthday as she would no longer have an income or her being told that she could use her state pension. The notes do say that Miss T understood that this new consolidated loan would extend for 11 months after her existing loan was due to finish and that Miss T was comfortable with this as the new loan would allow her to continue saving into her ISA. I am not satisfied that Miss T said she was concerned about how she would meet repayments after her 60<sup>th</sup> birthday, or that the bank advised her she would be in receipt of her state pension then and could use that.

I have seen records of Miss T's account and am satisfied that the lending was affordable based on the income and outgoings. I am satisfied that Lloyds took all the relevant information Miss T provided into account. I am satisfied this loan was affordable at the time it was agreed.

If Miss T is experiencing financial difficulties she may want to discuss these with Lloyds. Lloyds is obliged to respond positively and sympathetically to her difficulties.

**my final decision**

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

Under the rules of the Financial Ombudsman Service, I am required to ask Miss T to accept or reject my decision before 23 December 2014.

Charlotte Holland  
**ombudsman**