

complaint

Mr S complains that Lloyds Bank (Lloyds) plc hasn't helped him with his financial difficulties. He wanted Lloyds to give him the help he would like.

background

Mr S says he contacted Lloyds several times from early April 2018 to discuss financial difficulties he was having meeting repayments, including a personal loan repayment with Lloyds. But he says Lloyds has never followed anything up with him.

Most recently he says he went into a Lloyd's branch but it couldn't offer him the help he wanted. He wanted Lloyds to refinance his current loan. He says Lloyds put a thirty day hold on his Lloyds loan for interest repayable. And put a payment holiday in place for March 2019. But Mr S says he wants a longer term solution.

Lloyds said it was satisfied it had tried to help Mr S by offering various options. But these didn't meet Mr S's requirements as he didn't want his credit file affected.

Our adjudicator didn't uphold the complaint. He found that Lloyds had followed up contact from Mr S, and in a reasonable timescale. He felt Lloyds had explored the avenues he would expect when a customer raised financial problems

Lloyds accepted this view but Mr S didn't.

Mr S said the adjudicator had named the wrong branch in his view, the only help Lloyds offered with regard to direct debits was to suggest closing them down, and the plan to be put in place in November 2018 was never followed up. If it had been Mr S says he wouldn't have had financial problems in November 2018, December 2018 and January 2019. He felt the branch could have helped him more but didn't.

Finally Mr S says he prided himself on having continued to make the loan repayments. But said this continued to cause him anxiety and stress. He felt strongly the loan was mis sold to him.

Our adjudicator considered these points but didn't change his view. He apologised for the error with the branch name. He couldn't find any evidence to show Lloyds suggesting closing direct debits. Although he acknowledged Lloyds may have said this but didn't feel that it was wrong of Lloyds to do so.

With reference to the proposed plan to be put in place from November 2018 our adjudicator noted that during a phone call about this the call was lost when being transferred to a department to complete an income and expenditure assessment. When Lloyds tried to call back they were only able to leave an answer phone message. Then there was no further contact between Mr S and Lloyds until 28 January 2019 in response to Lloyds requesting Mr S call the bank back. Our adjudicator felt it was reasonable for Mr S to have contacted Lloyds to continue the conversation after the call was lost but didn't do so.

He did not agree that the personal loan Lloyds agreed with Mr S was unaffordable. He noted the loan was applied and approved on 3 November 2017. The notes confirmed affordability checks were carried out and Mr S accepted the loan. He also noted the loan was to

consolidate an existing debt and was done on the basis of reducing Mr S's outgoings and helping him.

Mr S didn't accept this further view. He still felt he had no support from Lloyds despite his personal circumstances now being such that he will struggle to pay the monthly loan and other outgoings. He noted Lloyds had given him details of debt advice charities but this wasn't the reason he contacted Lloyds. He still felt Lloyds should do more to help him.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr S feels strongly about this situation so I appreciate he is going to be disappointed as I've reached the same view as our adjudicator.

In cases of financial hardship we do expect banks to respond positively and sympathetically to consumers so I have looked in detail at the information Lloyds has sent us.

One of the issues Mr S has raised is that Lloyd's mis sold him a personal loan in November 2017. He feels the loan was unaffordable and Lloyds should never have offered it.

I can see from Lloyd's notes that the loan was a refinancing loan to consolidate other loans. The overall effect was to reduce Mr S's monthly outgoings. It seems two different monthly payment amounts were discussed with Mr S and the loan was agreed as part of a package of measures to help Mr S. These included reducing his overdraft limit to £500 and an agreement to closing his Lloyds card when the balance had been cleared.

It's clear that affordability was discussed – there is reference to a lump sum that Mr S was expecting to get in the future that he thought he might use to pay off the loan. Taking all of this information into account I don't believe there is any evidence that Lloyd's mis sold this loan.

In terms of financial difficulty I can see from Lloyds customer notes that Mr S raised financial problems on 3 April 2018 and 29 August 2018. On both occasions income and expenditure assessments were completed and a thirty day 'breathing space' was applied to both Mr S's current account and personal loan. In August the notes show that despite raising financial problems Mr S was still managing to meet his repayments.

The notes don't reflect that Mr S wasn't happy with this or wanted further or different help.

The next contact from Mr S was on 1 November 2018 and this was the call that was lost. I can see from the notes that Lloyds called Mr S back on the same day but was only able to leave a message on his answer machine.

I don't feel I can accept Mr S's view that Lloyds failed to 'follow up' on his phone calls. In April and August 2018 it offered help to Mr S when he called. In November 2018 Lloyds called Mr S back when the call got lost but was unable to contact him. Lloyds could have tried to call Mr S again and I haven't seen any evidence it did so. But having left a message for Mr S to call Lloyds back I think Mr S could have done so but didn't. In fact didn't get in contact with Lloyds again until 28 January 2019.

When Mr S visited a branch in January 2019 he was there for over four hours – that is along time but it seems to me from the notes that the staff were really trying to help Mr S. As a result of that meeting Mr S's accounts were put on hold for another 30 day period. And Lloyds agreed to a payment holiday for March 2019 to help Mr S.

As I understand it Mr S wanted Lloyds to refinance his loan as he was concerned about the affordability of payments going forward. I've noted that Mr S has said that so far he has managed to keep up with repayments which is to his credit.

Unfortunately Lloyds wasn't unable to agree to a refinancing arrangement. However it appears Lloyds did put a number of options to Mr S but he didn't want to pursue anything that might impact on his credit file. I have already said we expect banks to respond positively and sympathetically when customers have financial difficulties – but that doesn't mean banks have to agree to everything customers ask for. I do think the bank were trying to help Mr S during this visit – I think that is partly shown by the time he was in branch..

Mr S has said he wasn't happy that Lloyds told him to close his direct debits in this meeting. I can see from the notes that there was a discussion over one particular direct debit but the notes clearly state the final decision was Mr S's. It seems to me that Lloyds was offering advice to Mr S over direct debits not telling him what to do. I don't feel I can fault Lloyds for that.

I've also seen letters Lloyds sent Mr S on 1 February 2019 telling him that charges on his account have been frozen .The letter asked Mr S to get in touch to try to work out a way forward. The letter said it could deal with someone on Mr S's behalf if that were easier. And it also gave details of external agencies that could also offer help.

I appreciate Mr S feels sensitive about being given details of external agencies, he has told us that wasn't the help he was looking. But that doesn't mean it was wrong for Lloyds to offer this. Some consumers find these useful to use and it is a source of potential help.

Mr S didn't respond to this letter so Lloyds sent a follow up letter on 19 March 2019 again asking Mr S to get in touch to discuss the options and support it could offer.

Taking all of this information into account I do believe Lloyds has acted positively and sympathetically towards Mr S. It has put his account on hold to give him breathing space on a number of occasions, allowed one payment holiday, and frozen charges on his account. It has offered details of external agencies that could help and encouraged Mr S to contact the bank to find a solution.

I would encourage Mr S to keep in touch with Lloyds about his financial situation and to consider all options the bank suggests to him.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 9 August 2019.

Bridget Makins
ombudsman