

complaint

Mr C complains that Lloyds Bank Plc has passed on personal information about him to a debt collecting agency. He would like the bank to acknowledge its error and compensate him for the distress this has caused.

background

In July 2013 Mr C received a letter on the bank's headed notepaper alleging that he owed it over £3,000. In fact the money was owed by someone with the same surname but a different first name and so did not relate to him at all. The bank had sold the debt to a debt collecting agency. It had allowed the agency to use its headed notepaper. It accepted that this was confusing and offered to pay Mr C £50 for the distress and inconvenience caused. Mr C didn't accept that and brought his complaint to us.

The adjudicator didn't uphold the complaint. He accepted that the bank hadn't sold or passed on Mr C's personal details to the debt collecting agency. He said that the mistake was the fault of the agency because its trace had wrongly identified Mr C as the debtor. He agreed that the bank must bear some responsibility for letting the debt collecting agency use its headed notepaper but thought that a payment of £50 for distress and inconvenience was fair and reasonable.

Mr C was very unhappy with this decision. He felt that the bank had provided false information because it had suggested that he didn't have an account with it when in fact he did. He thought that the adjudicator had been biased in favour of the bank.

my findings

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

The bank says it couldn't have passed on Mr C's personal details to the debt collecting agency because it didn't hold any information about him because he didn't have an account with Lloyds. The confusion has arisen because Mr C did have an account with TSB. As the adjudicator explained, TSB used to be part of the Lloyds banking group until September 2013. So Mr C is right when he says at the relevant time he had a Lloyds TSB account. But Lloyds is also right in saying that its records show that he was not one of its customers. I accept the bank's evidence, that the personal details that Lloyds sold to the debt collecting agency were those of the person with the same surname but different first name, who did have an account with it and who did owe the bank over £3,000. I am satisfied that it is just a coincidence that Mr C happened to have an account with a different part of the same banking group.

I find that there is no connection between the fact that Mr C had a TSB account and the mistake which led to him receiving a letter apparently from Lloyds in July 2013. I can find no evidence that the bank supplied false information either to the debt collecting agency or this service. Nor can I find any evidence of corruption on the part either of the bank or the adjudicator.

It must have been a very intimidating and upsetting experience for Mr C to receive a letter on Lloyds headed notepaper, which he may have at first thought was sent by his own bank, suggesting that he owed such a large sum of money. But I agree with the adjudicator Lloyds'

part in this matter is limited to the fact that it allowed the debt collecting agency to use its headed notepaper. Taking into account the fact that the mistake in wrongly identifying Mr C as the debtor was not down to the bank but the debt collecting agency, I am satisfied that the bank's offer of £50 for the distress and inconvenience caused is fair and reasonable and in line with the level of awards this service generally makes.

my final decision

My final decision is that Lloyds Bank Plc should pay Mr C £50 for distress and inconvenience.

Melanie McDonald
ombudsman