

complaint

Ms R complains that Lloyds Bank PLC harassed and bullied her at a time when she was suffering ill health.

background

Ms R has three accounts with Lloyds two of which were credit card accounts and in 2008 she encountered financial problems. These were caused by ill health which I gather continues to this day. She says she was in and out of hospital from 2009 onwards and was no longer able to work and so she couldn't repay the debts she had incurred with the bank. She says that she was contacted frequently by the bank, mainly by phone and it passed her debt to a firm of solicitors which sent her letters she considered threatening.

The bank said that it had followed its normal procedures and had been first made aware that Ms R was ill in 2010. It suspended calls for 28 days when Ms R had told it that she was in hospital. It explained that its computer system reinstates calls if there has been no further contact from the customer. It said it had a duty to keep Ms R informed of the legal position. It explained the firm of solicitors it had used was staffed by bank employees, but it was a genuine firm it used to pursue outstanding debts.

In 2015 Ms R complained to the bank and asked for compensation for the harassment she had suffered. The bank rejected her complaint. The matter was brought to this service and was considered by one of our adjudicators. He didn't recommend that it be upheld. He reviewed the bank records and concluded that it had taken reasonable steps to collect the outstanding debts and it had suspended calls when it knew Ms R was in hospital. In the absence of a further update it resumed calls. He also considered the bank was entitled to use solicitors to pursue debts and the letters issued by the firm were appropriate. Ms R didn't agree and said that Lloyds was aware of the state of her health and had shown no consideration. It had also not made clear that the solicitors were not independent.

my findings

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

I have every sympathy with Ms R, but I find myself in agreement with the adjudicator. Where a customer finds themselves in financial difficulty, however caused, I would expect a business to respond in a positive and sympathetic way. However, that does not stop it from taking action to collect outstanding debts. I note from the bank's records it asked Ms R for evidence that she was ill which she declined to supply. Nevertheless it placed collection activity on hold for 28 days, but in the absence of further information from Ms R it resumed contact. With no agreed repayment plan in place it took what I consider to be reasonable steps to collect the outstanding debts. Subsequently Ms R approached a debt support agency and has entered into a repayment plan which I understand allows her to make minimal payments. It also means that interest and charges on her accounts have been suspended.

I note that Ms R feels that the bank misled her into thinking the solicitors it used were independent when it was staffed with bank employees. I can appreciate her concerns, but the firm was a genuine one and the letters it issued make clear it was acting on Lloyds behalf. I don't consider this approach was inappropriate.

I appreciate that Ms R will find my decision disappointing, but I cannot uphold her complaint. I would add that I hope her health improves and I would remind the bank of its obligation to continue to treat her in a positive and sympathetic way.

my final decision

My final decision is that I do not uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 2 November 2015.

Ivor Graham
ombudsman