

complaint

Mr S complains that Lloyds Bank plc (previously Lloyds TSB Bank plc) has lent to him irresponsibly.

background

Lloyds provided Mr S with a £15,000 loan in August 2004 and issued him with a credit card with a £500 limit in July 2008. It then provided him with two £10,000 loans in September 2008. Mr S did not make all of the repayments that were due on the loan accounts and credit card account and all four accounts were passed to Lloyds' collections department in July 2009. Mr S complained to Lloyds that it was irresponsible for it to have provided him with the loans and credit card but he was not satisfied with its response so complained to this service.

The adjudicator did not recommend that this complaint should be upheld. He was not persuaded that Lloyds had made any errors when it agreed to lend to Mr S. He concluded that Mr S's finances – at the time each application was made - suggested all combined facilities were affordable.

Mr S says, in summary, that Lloyds did not conduct an assessment of affordability in respect of any of the loans and credit card and that the lending was therefore irresponsible. He says that the pattern of lending, the fact that he was approached to take on further debt and the failure to complete documentation show that the lending was irresponsible.

my findings

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

Lloyds has not produced enough evidence to show that it properly assessed whether each of the three loans and the credit card were affordable for Mr S. I consider that it should have done more to assess the affordability of each of the loans and the credit card and that it should now be able to produce evidence of that assessment for all but the first loan.

However, its failure to properly assess the affordability of the loans and the credit card does not automatically mean that the lending was unaffordable each time that Lloyds decided to lend more money to Mr S.

I consider that a review of Mr S's current account statements provides enough evidence to show that the loans and the credit card were affordable for Mr S at the time that each of the loans and the credit card was made available to him. I do not consider that it was reasonably foreseeable at those times that Mr S would suffer a change in circumstances and that the lending would become unaffordable for him.

We offer an informal dispute resolution service and try to resolve complaints by looking at what we consider to be fair and reasonable in the circumstances. As I consider that Lloyds' lending to Mr S was affordable at the time it was made, I do not consider that it would be fair or reasonable for me to require it to write-off any of Mr S's debts, to amend his credit file or to pay him any compensation.

my final decision

For these reasons, my decision is that I do not uphold Mr S's complaint.

Jarrold Hastings
ombudsman