

## **complaint**

Miss A complains that Lloyds Bank PLC is wrongly pursuing her for a debt which she says she has already repaid.

## **background**

Miss A held a mortgage account and a current account with Lloyds, both of which were in arrears. Miss A sold her property to repay the mortgage debt and in May 2008, Miss A's solicitor asked Lloyds to provide it with a final redemption figure. The solicitor received a letter stating the following:

"I can confirm that the amount required to repay your client's account(s), held at this department, [amount provided]".

The solicitor then asked for a recalculated figure, and was again told that the amount provided was to repay "your clients account(s)". Based on this, Miss A considered that the redemption figure included the debts for both accounts, not just the mortgage account.

Lloyds has since said that the figure did not include the current account debt, and has been pursuing payment of it since.

Our adjudicator recommended that the complaint should be upheld. He considered that the wording of the letters could reasonably be read as saying that both debts were included in the redemption figure. As Lloyds could not provide evidence of how the redemption figure was arrived at, he did not feel he could safely conclude that Miss A had not paid it in 2008.

He therefore recommended that Lloyds should write off the debt it believed it is owed, and pay Miss A £200 compensation for the distress and inconvenience which the matter had caused her.

Miss A accepted the adjudicator's view. Lloyds has not provided further information in support of its position.

## **my findings**

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

Although the letters from Lloyds were in response to a query about the mortgage account alone, they can be read as referring to multiple accounts. I consider they were sufficiently ambiguous as to be reasonably interpreted as including both accounts in the redemption figure, especially as this wording was used twice.

Lloyds has not been able to show how the redemption figure was arrived at. Because of this, it is difficult for me to safely conclude that the figure did not include the current account debt. Lloyds has provided statements for the current account generated after May 2008. However, I do not consider these to be conclusive as they may simply indicate that the account was not closed when it should have been.

I therefore consider that Lloyds has not been able to show that Miss A still owed the debt after May 2008 and I consider it was reasonable for her to believe that she had repaid it.

**my final decision**

My final decision is that I uphold this complaint. In full and final settlement, I order Lloyds Bank PLC to:

- write off the debt it believes Miss A owes it;
- amend Miss A's credit record to remove any adverse information which may have been listed in relation to the current account debt after the redemption figure was paid; and
- Pay Miss A £200 compensation for the distress and inconvenience she has experienced.

Catherine Wolthuizen  
**ombudsman**