

complaint

Ms F complains that Lloyds TSB Bank Plc charged a higher interest rate on a second loan she took out to consolidate an existing loan, credit card debt and to pay for laser eye treatment.

background

Ms F applied for a consolidation loan, and the interest rate was about four percentage points higher than she was paying on an existing loan with the same bank. She now asks for a refund of the difference in the two rates and the early settlement fee. She has also complained about the PPI on the loan but we are reviewing that as a separate complaint.

Our adjudicator did not recommend that the complaint should be upheld. She said that Ms F took out the second loan after reviewing, and signing, the agreement which showed the interest rate. She was satisfied with the affordability assessment that the bank had completed prior to offering the loan, and there have been no late or missed payments.

Ms F disagreed saying that the bank should not have allowed her to consolidate the outstanding debt from her existing loan as part of the second loan as it was a more expensive product. She also added that the bank discriminated against her as it failed to deal with her either through her carer or in writing. This had been requested based on her disability.

my findings

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

I am not persuaded that the bank has acted incorrectly. Ms F asked the bank for further borrowings and it completed the correct application process. I find that she was accurately informed of the cost of the loan before making her decision. The sale was not an advised sale and I consider that the bank met its obligations.

There is also evidence that she took the agreement home to review and discuss with a third party. The interest rate will have been determined by a number of factors, but this is a commercial decision for the bank and not one we can interfere with.

In Ms F's response to our adjudicator's view she also re-iterated that she felt discriminated against. As this element of the complaint relates to how the PPI claim process was managed, it has not been reviewed here.

my final decision

My final decision is that I do not uphold this complaint.

Rebecca Connelley
ombudsman