

complaint

Mr H complained because debt collectors have been pursuing him for payment of a Lloyds Bank PLC credit card debt. He has never had a Lloyds credit card and the debt is not his.

background

Mr H lives abroad, and his elderly parents live in the UK. From 2007 onwards, letters were sent to him at his parents' address, regarding a Lloyds credit card debit in Mr H's name. Mr H has never had a credit card account with Lloyds, and was the subject of mistaken identity.

Mr H had multiple conversations with Lloyds in 2007 and 2008, and the bank acknowledged the debt wasn't his. Lloyds told him there would be a full investigation and Mr H would be informed, but he never heard back. Mr H contacted Lloyds numerous times in subsequent years, and received repeated verbal assurances from Lloyds, and some compensation - but his elderly parents in the UK continued to be harassed by letters and phone calls.

Lloyds sold the debt to a debt collection agency, and as a result, a series of collections agencies and debt collectors pursued Mr H, using his elderly parents' address. In early 2014, the letters to Mr H's parents' address threatened a home visit by a debt collector. Mr H complained again to Lloyds. The bank's April 2014 response said that the reason for the continued contact was that a member of staff had "*dis-associated*" Mr H from the account, but had failed to contact the debt collectors to tell them to do the same. Lloyds offered a further £300 compensation, and said the debt collectors had confirmed that all links to Mr H had been removed.

Mr H's elderly parents subsequently received more calls from the debt collectors. Mr H complained to us. He said he was no longer content with meaningless assurances from Lloyds and wanted a legally-binding assurance that neither Lloyds nor any collection agency to which Lloyds sells its debts would ever harass him again.

The adjudicator investigated how the mistakes happened. The debt collection firm told her that it had contacted Mr H at his parents' address because of a suggestion from a credit reference agency. The agency said that Lloyds hadn't provided anything to link Mr H to the debt, but said that it offers debt collection firms a service suggesting possible alternative addresses. Mr H had a similar name and date of birth to the real debtor, so his details came up as an option on the credit reference agency's systems. The agency told the adjudicator that it had amended its systems so Mr H's details wouldn't come up again. But the adjudicator warned Mr H that other credit reference agencies might do the same thing, and suggested he should contact them. The adjudicator's opinion was that as Mr H wasn't a Lloyds customer, the bank couldn't put any amendments on his credit file, and that there was nothing further she could expect Lloyds to do to resolve things.

Mr H was extremely unhappy with the adjudicator's response.

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've looked at how the mistake started. Lloyds' final response in April 2014 acknowledged that a member of staff initially failed to tell the debt collection firm to which Lloyds had sold the debt that Mr H was the wrong person. But Mr H continued to be harassed after Lloyds said it had informed the debt collectors.

I have taken into account the fact that the credit reference agency told our adjudicator that Lloyds hadn't recorded anything linking Mr H to the real debtor. This is logical, when Mr H hadn't ever been a Lloyds customer. The agency also said that it offers a tracing service, and said that the debt collection firm was one of its clients. The agency said it never tells the client it's definitely the person it is looking for, and that the client should then carry out its own checks to make sure it has the right person, before getting in touch.

Where evidence is incomplete, inconclusive, or contradictory (as some of it is here) I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in the light of the available evidence and the wider circumstances. I accept Lloyds did tell the debt collection agency that Mr H was the wrong person, and isn't responsible for the agency's continued contact of Mr H and his family.

Mr H is seeking a legally-binding guarantee that neither Lloyds nor a debt-collection agency would ever harass him again. I appreciate why he wants this – but our role is to consider what has actually gone wrong, rather than what might happen in the future, and we can't obtain the guarantee he seeks. But the bank should be aware that he is entitled to make a further complaint should it make any future errors. And it's open to him to complain about the debt collection agency.

In practical terms, I consider the adjudicator's suggestion that Mr H should contact the other two main credit reference agencies is sound. Lloyds can only correct information it's registered against Mr H. It can't instruct the credit reference agencies to amend Mr H's credit file more generally.

Mr H refused Lloyds' April 2014 offer of a further £300 compensation in final settlement. I leave it to him to decide whether or not he wishes to accept this.

my final decision

My final decision is that I do not uphold Mr H's complaint against Lloyds Bank PLC. I leave it to him to decide whether or not he wishes to accept Lloyds' offer of a further £300 compensation in final settlement.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr H to accept or reject my decision before 23 December 2014.

Belinda Knight
ombudsman