

## **complaint**

Mr N complains that Lloyds Bank PLC is harassing him to provide a charge over his home as additional security. He asks that it respects the terms of the contract.

## **background**

Mr N gave a personal guarantee to Lloyds for the debts of a limited company. Lloyds called on the guarantee in late 2013. Mr N was unable to make payment in full and offered monthly payments. Lloyds said it would only accept this if Mr N provided a charge over his property as security. Mr N says this is unfair as the charge was not part of the original agreement. This is causing him worry and distress.

The adjudicator did not recommend that the complaint should be upheld, saying the debt was due and Lloyds was not obliged to accept the repayment proposal. The adjudicator said it was not unreasonable for Lloyds to ask for security to support the repayment proposal.

Mr N did not agree.

## **my findings**

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

The personal guarantee signed by Mr N says he will make payment of the debt as soon as Lloyds demands it. Lloyds sent a formal demand to Mr N in late 2013. As the debt is due and payable, I find Lloyds is entitled to take steps to recover the debt.

Lloyds is entitled to make a commercial decision whether to accept a repayment proposal for the debt Mr N owes. Here, it has agreed to accept monthly payments provided Mr N provides security for his debt.

Mr N says Lloyds has accepted repayment proposals from other people without security. I am satisfied Lloyds considered Mr N's proposal and his financial position when making its decision. While Mr N says he may have been treated less favourably due to his ethnic group, the evidence does not support this.

While I can understand that Mr N prefers not to give security over his home, I do not consider Lloyds has acted unreasonably. Lloyds has explained the terms on which it will agree a repayment arrangement for the debt Mr N owes to it.

## **my final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr N to accept or reject my decision before 14 May 2015.

Ruth Stevenson  
**ombudsman**