

complaint

Miss T owes Lloyds TSB Bank PLC (the bank) a large debt and she complains that the bank has not treated her positively and sympathetically in view of her financial difficulties. She is also unhappy her credit card account has been passed to a debt collection agency.

background

Our adjudicator noted the bank had made a substantial refund of interest and charges and suspended further interest and charges for around the last three years. But the bank had received no payments from Miss T for roughly the same period. The bank offered an additional £78.66 by way of a refund of interest and charges. The adjudicator did not think the bank was required to do any more in the circumstances.

Miss T disagreed and asked for this review of her complaint by an ombudsman. Among other things, Miss T objects to how the bank did not suspend collections activity, and she says she made reasonable efforts to agree an affordable payment plan. She also says the bank's refunds are a reflection of its failure to abide by the Office of Fair Trading's guidelines, rather than a response to her financial difficulties.

my findings

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

It is not in dispute that Miss T owes the bank a large sum of money and that she faces difficulties repaying it. No one has argued the bank should simply write off the debt or that Miss T should make no further payments. So it is for the parties to agree an affordable way for the debt to be repaid, failing which the bank is left with its enforcement options.

Clearly this is not a one-way street (in either direction) and the reasonableness or otherwise of the bank's actions must be judged in the light of Miss T's cooperation or otherwise in the attempts to reach such an agreement. As an ombudsman I concentrate very much on the substance of a situation rather than on the formalities or technicalities.

Looking at the whole picture, I am satisfied the bank has responded reasonably to Miss T's financial difficulties. It has refunded interest and charges and suspended them for a long period. Meanwhile Miss T has made no payments. The bank has been very patient in the circumstances and it cannot be expected to suspend enforcement action indefinitely. I strongly urge Miss T to engage with the bank meaningfully, declare her current income and expenditure and agree an affordable payment plan.

Miss T has criticised the way the bank has sought to enforce the debt. But in the light of Miss T's relative lack of cooperation, I do not agree.

If Miss T wishes to challenge the enforceability of the debt on technical or legal grounds, the court is the place to do this.

my final decision

I require Lloyds TSB Bank Plc to pay Miss T £78.66, in full and final settlement of her entire complaint.

Roger Yeomans
ombudsman