

## **complaint**

In 2005 Ms C had an accident at work. The following year she had to stop working because of her injuries and her employer made her redundant in 2009. Ms C complained to Lloyds Bank PLC about the way she's been treated since the accident.

## **background**

When Ms C first complained to us there was some confusion about which accounts she held with Lloyds. That was because:

- All her accounts had been with Lloyds TSB but that bank split up in September 2013. In November 2012 Lloyds TSB wrote to her and said her current account, a credit card account and two savings accounts would go to TSB when the bank split up. But the current account actually went to Lloyds along with a second credit card account that wasn't mentioned at all in the November 2012 letter.
- She didn't realise until fairly recently that there were two credit card accounts in her name. She definitely opened the credit card that's now owned by TSB but she says she didn't open the credit card account that Lloyds now owns. She thinks this account was taken out in her name fraudulently, possibly by a family member.

I sent Ms C and Lloyds my provisional decision in February setting out why I couldn't tell the bank to write off any of Ms C's debt and why I thought their offer of £300 was fair compensation for any mistakes they'd made. I said, in summary, that:

- The bank hadn't been able to give us full statements and records of the contact they'd had with Ms C going back to 2005. But that didn't really surprise me because banks don't have to keep records forever. Without full statements it was difficult for me to see exactly what had happened with Ms C's finances over the years and/or what contact she'd had with the bank. What I could see was that the bank had been aware since 2012 that Ms C wasn't working and was having money troubles. I thought they'd acted positively and sympathetically since then and didn't think it was wrong that the credit card and current accounts had been defaulted.
- Ms C said the bank hadn't always sent her the information she'd asked for. But their records didn't always support what Ms C had said and I also thought it possible – given what Ms C had told us – that a family member might have intercepted a lot of her post.
- I could see why Ms C was distressed when staff at the bank's overseas call centres mispronounced "madam." I didn't think the bank intended on upsetting or offending her. But I thought the staff could have used her name – as Ms C suggested – rather than addressing her in a way that caused her distress. I also thought, at times, they could have done more to help Ms C understand what accounts she held with them.
- I hadn't seen anything on the bank's file that suggests they agreed to put an extra security check in place linked to Ms C's accounts and/or that they knowingly disclosed information to anyone they shouldn't have.
- I didn't think the bank ignored Ms C's request to close her current account, reactivated her direct debit instructions without her permission or unfairly set the direct debits to only repay the interest accruing on the credit cards.

- The bank decided that Ms C had been mis-sold PPI on her two credit cards. They calculated what compensation she was due as a result and I didn't think it was wrong to send Ms C this money by cheque rather than using it to repay some of her debts.
- It wasn't clear what had happened to the PPI claim paperwork Ms C said she'd sent to the bank. But, following this, the bank sent her the necessary forms to start the claims process when it wrote to her about the PPI mis-sale offer. And I'd resent these to her.
- The bank didn't keep Ms C's current and credit card accounts in a deliberate attempt to be obstructive and/or make it difficult for her to sort out her finances. This happened because both accounts were in arrears and defaulted by the date in September 2013 that Lloyds TSB Bank split up.
- Various third parties had contacted Ms C about her debts. But it wasn't wrong of the bank to ask another party to chase their account holder for repayment of a debt. And banks don't *have* to stop chasing an individual for repayment while we're considering a complaint.
- There are two credit cards on Ms C's credit file because there are currently two accounts held in her name. And it only became clear very recently that Ms C may not be entirely responsible for the debts on the Lloyds credit card account and her current account. I said Ms C would need to raise a new complaint with Lloyds if she wants them to look into the fraud which she tells us has taken place on these accounts.

I also considered, at the same time, a complaint against TSB Bank plc which crosses over with this complaint in part because most of the events in question happened when all Ms C's accounts were held by Lloyds TSB. I've issued separate provisional and final decisions about TSB.

Ms C didn't accept what I said in my provisional decision. She said, in summary, that:

- She didn't open the Lloyds credit card account so she shouldn't have to repay that debt. And she shouldn't have to make a new complaint about the fraud to the bank.
- It's unacceptable that Lloyds can't provide copy statements going back to 2005. And they should have sent her the statements for all her accounts when she first asked for them.
- It's unacceptable that Lloyds hasn't confirmed to her in writing that they kept the current account which was meant to have been transferred to TSB.
- She should have been able to claim on her PPI policies but Lloyds made this impossible.
- Lloyds should have used the compensation from the mis-sold PPI policies to repay some of her debts rather than sending her the money.

Lloyds didn't ask me to consider anything new in reply to my provisional decision. But they did confirm that neither of the two £150 compensation cheques they had sent to Ms C have not been cashed.

**my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Ms C hasn't said anything new or provided any new evidence in reply to my provisional decision. So I don't think I need to depart from the conclusions set out in that decision and summarised above.

**my final decision**

My final decision is that Lloyds Bank PLC's offer of £300 is fair and reasonable. They should make sure the old cheques have been cancelled and send Ms C a new cheque for this amount.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 3 May 2016.

Ruth Hersey  
**ombudsman**