

complaint

Mr T complains that Lloyds Bank PLC is wrongly seeking repayment from him for a debt that is not his.

background

In late 2012 Lloyds wrote to Mr T to tell him that an outstanding debt in his name had been transferred to a debt collection agency. The agency also wrote. Mr T told both the bank and the agency that he had no knowledge of the debt. However, when he received a copy of the signed credit agreement, he saw that it was a business loan. As he was a director of a limited company at the time the loan was taken out, he considers that the debt belonged to the company because he never held a loan in his personal name.

The adjudicator did not recommend that this complaint should be upheld. She concluded that the business loan agreement was in Mr T's sole name and not in the name of a limited company. She therefore considered that Lloyds, or its agent, was entitled to seek repayment of it from Mr T.

my findings

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

Where there is a dispute about what happened, I have based my decision on the balance of probabilities – in other words, on what I consider is most likely to have happened in the light of the evidence.

I appreciate that Mr T considers that the debt belongs to a limited company that no longer exists. However, I have carefully reviewed the notes that Lloyds made at the time the loan was agreed and these say that Mr T was looking for a personal loan to refinance an existing debt and to pay his guarantee liability in respect of a limited company. I am satisfied that the loan agreement that Mr T signed clearly shows that the agreement was made with Mr T in his sole name and not a limited company. He has signed to confirm that he is legally bound by the terms of the agreement. Furthermore, Mr T has provided a copy of a business loan repayment insurance form with the same date that the loan was agreed, for the same amount and monthly repayments as the loan. This also shows the business name as being in the personal name of Mr T.

The loan was defaulted about a year later and a default notice was sent to Mr T in his personal name. He responded to this by asking for some time to make the repayments. Two months later Formal Demand was made on Mr T and he then made an offer of repayment.

I also note that bank statements for the loan and a current account were in Mr T's name and were sent regularly to him prior to the account being passed to the bank's recoveries department. I am therefore satisfied that Mr T was, or should have been, aware that the account was in his personal name. If he had any concerns then I would have expected him to raise them far sooner than he has and certainly when he received the Formal Demand for the amount outstanding in 2008.

In the circumstances, I am not persuaded that the debt belongs to the old limited company.

Despite there being no contact about it for a few years until recently, I conclude that the debt is in the sole name of Mr T and Lloyds, or its agents, is entitled to seek repayment of it.

my final decision

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

Karen Wharton
ombudsman