

complaint

Mr O isn't happy with the way that Lloyds Bank PLC ("Lloyds") handled his applications to increase his overdraft.

background

I set out the background to Mr O's complaint in a provisional decision. Mr O had a gambling problem and significantly increased his overdraft over quite a short period of time. In summary I concluded that Lloyds should've done more to look into Mr O's circumstances.

As Mr O had the benefit of the money he used I didn't think it was fair to ask Lloyds to write the overdraft off. The notes I'd seen also suggested that in November 2015 all charges related to the account from the last six years were refunded to Mr O.

I also awarded Mr O £300 compensation for the trouble and upset that that he experienced and asked Lloyds to refund Mr O the interest charged on his overdraft from the point that the overdraft exceeded £1400. I explained the thinking behind reaching this figure in my provisional decision. In summary I thought that this was fair because it acknowledged that Lloyds should've done more but took into account that some of the responsibility lay with Mr O.

Mr O told us that he'd only received a refund of charges relating to direct debits in November 2015. Lloyds told us that it had refunded all unplanned overdraft charges and gave us evidence that was what it had done. It was also willing to pay Mr O the £300 compensation I'd suggested. Our adjudicator let Mr O know what Lloyds had said and he confirmed that he was willing to accept the suggested settlement I'd made in my provisional decision which included the interest. So I now need to make a final decision.

my findings

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

I still think that Lloyds needs to put things right by paying Mr O the compensation and interest I outlined in my provisional decision and above. I say that because:

- I think both sides bear some of the responsibility in this case for the overdraft increasing significantly over such a short period of time. Mr O's accepted that he is partly responsible and as I explained in my provisional decision I think Lloyds should've done more to look into his overall circumstances. So I think that it's fair for Lloyds to refund Mr O any interest he incurred from the point that the overdraft exceeded £1400;
- The information I've seen shows that the unplanned charges were refunded to Mr O back in November 2015. But if this didn't include the interest, once the overdraft exceeded £1400, this should also be refunded for the reasons I've already explained.

putting things right

Lloyds needs to put things right by:

- Paying Mr O £300 for the trouble and upset he experienced;
- Refunding Mr O any interest charged on his overdraft from the point that it exceeded £1400.

my final decision

I'm partly upholding Mr O's complaint against Lloyds Bank PLC. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 23 May 2016.

Anna Wilshaw
ombudsman