

complaint

Mr S has complained that Lloyds TSB Bank Plc combined his debts and applied higher interest and charges to the outstanding balance. He also complains that the bank transferred the debt to a debt collection agency which began to chase him for repayment.

background

Our adjudicator concluded that it seemed the bank had treated Mr S positively and sympathetically when he became unable to maintain the due repayments on his debts. She also concluded the bank did not act wrongly when it transferred the debt to a collection agency. And she found no evidence that the bank had applied the wrong interest rates or charges.

Mr S disagreed and asked for this review of his complaint by an ombudsman. In particular he said that, at the end of the period for which the bank accepted reduced payments, his monthly payments were higher than they were before. More recently he has also queried why the bank has apparently transferred a current account with a nil balance to yet another debt collection agency.

Following her initial assessment of the complaint the adjudicator intimated to the bank that compensation for Mr S for the bank's poor complaint-handling might be appropriate. The bank has not accepted this, saying it regarded the customer relationship with Mr S as having long since terminated.

my findings

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

I am sorry to disappoint Mr S but, regarding the main points of his original complaint, I think the adjudicator reached the right conclusions. We are not here to perform a complete audit of a customer's accounts with his or her bank. There has to be some tangible evidence to back up what a customer is complaining about. I have carefully considered the papers Mr S has sent us. I do not think these show the interest increased.

Apart from that, the evidence, such as it is for events which took place many years ago, indicates the bank took a positive and sympathetic approach to Mr S's financial difficulties. There is no evidence of higher interest or charges.

The bank is of course entitled to transfer unpaid debts to collection agencies. Regarding Mr S's most recent query this would have to constitute a new complaint but from what I can tell the outstanding debt has simply been passed to a new agency. There is nothing wrong with that.

I agree with the adjudicator that the bank has not handled the complaint at all well. It cannot be right, for example, that the bank thought it did not need – or was unable - to reply to Mr S's queries because his customer relationship had ended. Former customers have the right to bring queries and complaints, too. I also consider the bank's poor handling of the complaint caused long, unnecessary delays. The bank will be well aware of the views on this point of the adjudicator and her manager.

my final decision

I order Lloyds TSB Bank Plc to pay Mr S £300 compensation for the distress and inconvenience caused by the bank's poor complaint-handling, in full and final settlement of his entire complaint.

Roger Yeomans
ombudsman