

## **complaint**

Mr F complains that Lloyds Bank PLC is pursuing him for a debt which it said had been written off. He is represented in his complaint by his father.

## **background**

Mr F had an overdrawn balance on his current account, and a personal loan with Lloyds. He was unable to repay what he owed, although when he found a job he offered to make a payment to the bank. He was told that the debts had been written off, but some time later the bank's agents contacted him for payment of what was owed. Lloyds offered £25 in recognition that it gave misleading information about the debt, but maintained that Mr F still owed the money.

The adjudicator was satisfied that Mr F had to repay what he had borrowed. She considered, however, that Lloyds should have transferred the current account to its collections department sooner than it did once the account was no longer in use. She also considered there was an unreasonable delay in managing the debt once it was with the collections department. She concluded that Lloyds should put the account into the position it was in when Mr F stopped using it. This meant the bank had to refund total interest and charges of £1,185.04.

On Mr F's behalf, his father responded to say, in summary, that if Lloyds had accepted their offer to pay at the outset, the matter would now be resolved. In light of the inconvenience caused, he considered the amount due to Lloyds should be reduced by a further £350. He was willing to pay the amount direct to Lloyds, rather than its agents.

## **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 the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – that is, what I consider is most likely to have happened in light of the available evidence and the wider surrounding circumstances.

I accept that Lloyds wrongly gave Mr F and his father the impression that the debts in question had been written off. I can therefore understand why Mr F might consider there should be some recognition of the inconvenience caused once it was established that the bank's information was wrong.

In its initial response to Mr F's complaint, Lloyds offered £25 for the incorrect information it had given. After very careful consideration of the available evidence, I am inclined to agree that the resolution to this complaint should take account of the inconvenience caused to Mr F. In light of awards made by this service in complaints of a similar nature, however, I consider £100 to be a reasonable reduction to the amount owed by Mr F on his current account, after the interest and charges refund of £1,185.04 has been made.

Mr F would prefer to pay what he owes direct to Lloyds, rather than its agents. However, the remit of this service means I cannot interfere with the basis on which the bank requires the debt to be paid.

For completeness, I am satisfied that Mr F is responsible for repaying the full balance on his personal loan account.

**my final decision**

My decision is that Lloyds Bank PLC should reduce the amount owing on Mr F's current account to £451.48.

Caroline Stirling  
**ombudsman**