

complaint

Mrs F complains about the way in which she has been treated by Lloyds Bank PLC.

background

Mrs F says that, following financial difficulties, she agreed to repay Lloyds £1 a month for a loan and current account debts. She says there are no problems with the loan repayment but Lloyds have returned the current account repayments. Mrs F says that account has now been passed to a third party company for collection.

Lloyds says it has made an informal agreement with Mrs F and has closed her accounts. It says as a result it can't accept payments to the old account and that's why payments have been returned. Lloyds also says it can't manage all of these types of accounts and has passed some to an agent for collection. But it does accept making a mistake in calculating its fees and has refunded them and offered Mrs F £75 compensation.

Mrs F complained to us and our investigator didn't uphold the complaint. He thought Lloyds had acted in line with its terms and conditions in passing Mrs F's account to a third party company.

Mrs F doesn't accept that view. She says Lloyds didn't tell her what was happening and why. She also says Lloyds shouldn't have opened a new account for her without her signature and would like Lloyds to take over the debt again.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so I've come to the same overall conclusions as the investigator. I realise Mrs F will be disappointed by my decision.

I understand Mrs F's frustration with the situation, as I'm satisfied she thought there was an agreement in place to repay both debts. But I'm also satisfied Lloyds could no longer accept the repayments as the account had to be closed. I don't think a new account was opened for Mrs F by Lloyds. I can see that the new account details are for an account Lloyds could now use to receive Mrs F's repayments.

I appreciate Mrs F says she didn't make contact with Lloyds when the payments were returned, as she says she had an agreement that she was keeping to. But if she had, I think that may have avoided the account being passed to an agent. I don't think Lloyds has made a mistake or acted unfairly in asking a third party company to deal with the debt recovery. I'm satisfied that's a commercial decision for Lloyds to make and not something I can fairly interfere in. I don't think in any event it makes any practical difference who manages the debt. For those reasons I can't ask Lloyds to take over the debt again.

Lloyds has accepted making a mistake in calculating its fees and interest. I'm satisfied it's acted fairly by repaying Mrs F the cost, and offering to pay compensation of £75. I think that offer is both fair and reasonable. But will leave it to Mrs F to decide if she wishes to accept it.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 14 August 2017.

David Singh
ombudsman