

complaint

Mr V complains that Lloyds Bank PLC wants him to repay a debt jointly owed with his ex-wife. He says he has paid back his part of the debt. Further, Lloyds has not provided him with enough information about the debt.

background

the debt

Mr V opened a Lloyds current account with his ex-wife in 2005. They were jointly and severally liable (that is, all parties are equally liable for the full amount borrowed). The account went overdrawn in March 2005 and by 2007 was overdrawn by £1,300. The account was closed in February 2007. Lloyds passed the debt to its recovery department and sold it on in 2009. Mr V is being pursued for the debt. He believes Lloyds should get the money from his ex-wife as it is her debt and during their divorce they agreed they would be responsible for their own debt.

irresponsible lending

Mr V also says that Lloyds was irresponsible in the way it handled the account by allowing it to stay open until 2007, when the account went overdrawn in 2005. He also complains that he does not know who wrote the cheques on the account.

Lloyds said that Mr V should pay the money and then reach a settlement with his ex-wife.

adjudicator's view

The adjudicator did not uphold the complaint. He said in summary that as Mr V and his ex-wife were jointly and severally liable, Lloyds was entitled to ask Mr V to repay the debt and then to sell the debt to a third party. The divorce settlement did not change his terms and conditions with Lloyds.

Mr V was unhappy with this conclusion and said in summary that his ex-wife should be pursued for this debt as well, Lloyds should have contacted him earlier and that he did not know what the debt was for. He said that the tax office split their debts, so a bank should also do this.

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 agree with the adjudicator for much the same reasons.

the debt

Mr V owes the debt jointly and severally with his ex-wife. Therefore, Lloyds was entitled to ask Mr V to repay the debt and then to sell the debt to a third party company. I can appreciate that this must be very distressing for Mr V. I accept that he reached a financial settlement with his ex-wife on the basis that they are responsible for their own debts.

However, Lloyds was not a party to that court agreement, and is not bound by it. The agreement does not alter or override his agreement with Lloyds. He is still jointly and severally liable for the debt, despite what was agreed in the divorce court. I can equally appreciate that he feels it is unfair that his ex-wife is not being pursued for the debt. However again, as the debt was joint and several it is entitled to do this. Mr V will need to recover the money from his ex-wife, either through the courts or by negotiation.

I note he is frustrated that Lloyds cannot say who wrote the cheques on the account due to the passage of time. I would not expect Lloyds to have these details due to the length of time. However, I find that Mr V is responsible even if his ex-wife wrote the cheques. This is because this was a joint account, and he is jointly and severally liable.

I note that Mr V has told us that the tax office did split his debts and so banks should also do this. We are not able to comment on the financial arrangements reached by other organisations, but can only look at what Lloyds have done. Lloyds was entitled to ask Mr V to repay the debt and then to sell the debt to a third party company.

irresponsible lending

I find that Lloyds did not act irresponsibly by keeping the account open between from 2005 until 2007. Once Lloyds was aware of Mr V's financial difficulties it asked Mr V to downgrade his account from a platinum to a classic account as this had no monthly fee. Further, in 2005, it put a block on the cheque book. Taking all this into account, I find that Lloyds did not act irresponsibly in keeping the account open from 2005 until 2007.

knowledge of debt

Mr V complained that he was unaware of the debt until 2010. However I find that Mr V was aware of the debt earlier. In 2006, Lloyds' notes indicate that Mr V and his ex-wife contacted the bank and advised it of their financial difficulties. Lloyds issued a default notice in 2006. I find Mr V got this which also indicates he was aware of the debt.

Taking all the information into account, I find that Lloyds was entitled to ask Mr V to repay the debt and then to sell the debt to a third party company.

my final decision

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

Clare Hockney
ombudsman