



summary of complaint

Mr C complains that Lloyds TSB Bank Plc ("Lloyds TSB") made a mistake when it marked his loan account as partially satisfied on his credit file.

He says that the bank made a mistake in not paying off the loan in full when he remortgaged his property to consolidate this debt. He would like the registration on his credit file to be removed.

our initial conclusions

Our adjudicator did not recommend that the complaint should be upheld. She was satisfied that Mr C ought reasonably to have realised that his loan had not been paid off. She was persuaded that Mr C did owe the money and had not paid off the loan in full. Therefore she considered that Lloyds TSB were entitled to register the partial settlement information on Mr C's credit file.

Mr C did not accept that conclusion and he has asked that an ombudsman review his complaint

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 necessary and/or appropriate, I reach my decision on the balance of probabilities - in other words, what I consider is most likely to have happened in the light of the evidence that is available and the wider surrounding circumstances.

did Lloyds TSB make a mistake in not settling the loan in full?

Mr C says that due to the bank's mistake his initial loan was not paid in full. Lloyds TSB has confirmed that the funds from the mortgage application were paid to Mr C's representative. I note that around £20,800 was deposited into Mr C's savings account from his representative. This was then used to pay his existing loan. However, the amount paid towards the loan was more than £2,000 short of the settlement figure. I consider that on balance Lloyds TSB would have provided the correct settlement figure. On this basis I consider that Mr C or his representative ought reasonably to have known that the loan had not been paid off in full.

I accept that the bank should also have noticed the shortfall and notified Mr C of it but I am satisfied the £100 compensation already paid by the bank for this error is fair and reasonable. However, its records show it sent Mr C regular statements informing him of the amount still owed on the loan. Mr C has not told us he did not receive these statements.

Further Mr C did not query why he still owed money under a loan he says he thought he had settled for a considerable period of time. In the circumstances I would reasonably have expected him to have done so much sooner. For these reasons I do not consider that Lloyds TSB did make a mistake when it did not settle the loan in full. It follows I do not uphold this part of the complaint

what was agreed when Mr C and Lloyds TSB agreed a partial settlement of the loan?

Mr C and Lloyds TSB have two very different recollections of what happened when it agreed to accept partial settlement of the loan. Mr C says that he was not told it would have an impact on his credit file. He says that if he had been aware of this he would not have agreed to the partial settlement.

Mr C says that the bank offered him three options to repay the debt: continue paying £500 per month as per the original agreement, pay off the full balance owed or add it to his mortgage. Mr C says he was not in a financial position to do either of the first two and was not able to add the amount to his mortgage. In light of this, I consider the bank's offer to write-off the remaining debt to be fair and reasonable.

Mr C has said that the credit file should not show as partially satisfied. I disagree. A credit file should show a true and accurate reflection of how an account was managed. As Mr C only paid part of the loan and has confirmed he was unable to pay the remainder in any event, the credit file should show as partially satisfied.

For these reasons I do not uphold this part of the complaint.

my final decision

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

Joyce Gordon
ombudsman