

complaint

Mr G complains about Lloyds Bank plc's handling of his current and credit card accounts, as well as about its treatment of him and his son.

background

Mr G says he intended to repay the debts on his Lloyds accounts when he sold his house several years ago. That didn't happen, and Mr G says he didn't know he still owed the money because Lloyds didn't contact him. He also says the bank failed to respond to his complaints, and branch staff were rude to him and his son at a time when he was in and out of hospital.

Lloyds apologised for the length of time it had taken to reply to Mr G when he complained, and it paid him £100 by way of compensation. It said it couldn't answer all of Mr G's questions because so much time had passed since the events he was complaining about. But it also said it had tried to contact Mr G and been unable to do so – so it had sold his accounts to debt collection agents.

Our adjudicator recommended that the complaint should be upheld. She considered Lloyds should have defaulted Mr G's current account sooner and stopped applying charges. She also found it was unclear why Lloyds seemed to have had two addresses on its records for Mr G for a time, but she concluded that Mr G knew about the debts. The adjudicator proposed that the bank refund some charges on the current account and change the default date, but she didn't recommend a refund on the credit card account.

Lloyds accepted the adjudicator's conclusions. It offered to refund charges of £615.59 and amend the default date for Mr G's current account. Mr G wasn't prepared to accept that. He thought Lloyds was lying and that it should be able to explain more about what had happened on his accounts since 2008.

my findings

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

Mr G has moved several times since 2007, and I find there has been some confusion about his addresses. He says he gave Lloyds his new address each time. So it's not clear why the bank should have been writing to Mr G at an address he says he didn't move to until some time later. In any case, I am satisfied that Mr G knew about the debts. The bank's records show that he was in contact with it over the years, asking for statements and information about a payment protection insurance policy, as well as discussing his situation. I find nothing to suggest that Lloyds gave him any indication the debts had been paid.

I see no particular reason why Lloyds shouldn't have been entitled to default Mr G's accounts and pass them to debt collection agents. But I agree with the adjudicator that it would have been reasonable for the bank to have stopped adding charges to the current account sooner, given that it wasn't receiving any payments.

Lloyds stopped making charges to the credit card account sooner than it did on the current card account, after Mr G stopped paying. So I don't think it appropriate to require it to make

any refunds or changes to that account. In all the circumstances, I consider the bank's offer of a refund of charges on the current account and an amendment to Mr G's credit file is fair.

Mr G also complains that the bank's staff were rude to both him and his son in 2008. He also says he wrote to Lloyds to complain about that in August 2008 but got no reply. Lloyds says it has no record of receiving his letter at the time. The records I have seen don't show a letter having been received, and – given the passage of time – I don't think I can fairly conclude the bank should do or pay anything as far as this aspect of Mr G's complaint is concerned.

my final decision

My final decision is that Lloyds Bank plc has made a fair offer. In settlement, I order it to:

- refund £615.59 to Mr G's current account; and
- amend the default date for Mr G's current account to October 2008.

Janet Millington
ombudsman