

## **complaint**

D a limited company complains that Lloyds Bank PLC withdrew its overdraft facility, and passed the account to banking recoveries. D also complains it tried to contact the case official and couldn't get through.

## **background**

D had an account with Lloyds, with a £7,000 overdraft limit. Lloyds withdrew its overdraft and passed the account to a debt collection agency. D says Lloyds should support its business.

Lloyds says it withdrew the overdraft as D regularly exceeded its agreed limit. It extended the overdraft and honoured a cheque. However, as the debt continued to increase and D couldn't make repayments, it passed the account to debt collections. Lloyds moved offices and telephone calls should have been diverted. They weren't so it offered D £25 for distress and inconvenience.

The adjudicator did not uphold the complaint. She said the bank had discussions with D before it withdrew the overdraft. D could not repay the overdraft and the account was passed to Lloyd's recovery department. She found Lloyds did nothing wrong by withdrawing the overdraft.

D was unhappy with this decision. It says Lloyds should not have withdrawn the overdraft and sent the account to debt collection. D was involved in a government backed project and Lloyds should have support its business.

## **my findings**

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

Lloyds must treat cases of customer financial difficulty positively and sympathetically. However, this does not necessarily mean that it should waive interest, cease recovery action or accept any repayment proposal put forward. The nature and level of assistance needed will depend upon the individual circumstances of the customer.

It is not my role to interfere with the bank's commercial judgement in deciding to remove an overdraft facility. I must limit my consideration to whether Lloyds acted fairly in its efforts to arrange repayment of the debt. I have taken into account that the account exceeded the overdraft limit and relatively small sums were paid into the account. Lloyds did not simply withdraw the overdraft; it contacted D regularly during 2012 about the overdraft. I also note Lloyds agreed to extend D's overdraft and honoured an important cheque. It told D the only option was that the account would be closed and placed with the bank's recoveries department. I find this was reasonable.

I accept that D was unable to reach the bank. This was due to Lloyds moving address. I accept the phone number was not transferred. This must have been frustrating for D and Lloyds offered £25 compensation. I find this fair and reasonable.

Whilst I do understand that D must have found its financial situation very difficult, I find Lloyds was legitimately entitled to withdraw the overdraft facility and pass the debt to its recovery department.

**my final decision**

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

Clare Hockney  
**ombudsman**