

complaint

Mr S complains that Lloyds Bank plc has recorded a default against him relating to an account which was used by his ex-partner without his knowledge or consent.

background

Mr S contacted Lloyds in February 2015 because his current account had been used for transactions that he didn't recognise. The account was closed in March 2015 with an outstanding balance of £4,010.48. Mr S didn't respond to the letters that he was sent about that balance so Lloyds recorded a default on the account. Mr S complained to Lloyds that the transactions had been made by his ex-partner. She had also fraudulently opened a credit card account with Lloyds in his name (and had incurred debts in his name with other credit providers) so Lloyds cleared the balance on the credit card. But it said that the current account payments included debit card transactions, cash withdrawals, direct debits and transfers so whoever made them had use of Mr S's bank card and PIN. And it says that it sent statements and letters to Mr S using the address that he'd provided. It apologised for some failings which Mr S had identified – and it sent him a cheque for £450 (£400 for the distress and inconvenience that he'd been caused and £50 for the cost of his calls). Mr S wasn't satisfied with its response so complained to this service.

The investigator didn't recommend that this complaint should be upheld. She said that the account with Lloyds did default and the information recorded on Mr S's credit file wasn't incorrect. She said that Mr S had had benefit of the money that his ex-partner spent on living expenses and that this situation arose because of the actions of his ex-partner, and not Lloyds. So she concluded that Lloyds had acted fairly and she didn't consider that she should ask it to do anything further.

Mr S has asked for his complaint to be considered by an ombudsman. He says, in summary, that:

- Lloyds wrote-off a credit card debt due to fraud on an account which was opened and used during the same period of time that his debit card was fraudulently taken over;
- other credit providers have also written-off debts which were fraudulently incurred during that period of time;
- the debit card was used fraudulently by his ex-partner so that debt should also be written-off;
- how could he make payments for things he didn't even know existed? and
- he's registered the fraud with agencies and an identity fraud notice of correction has been added to his credit file.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

There doesn't seem to be any dispute that Mr S's ex-partner used his bank account for transactions - including debit card payments, cash withdrawals, direct debits and transfers. She'd only have been able to do so if she'd been provided with his account details, his bank card and his PIN. By providing them to his ex-partner, I consider that Mr S authorised the transactions on his account. And although he says he only did so under duress, I'm not persuaded that there's enough evidence to show that he was forced to do so or that Lloyds

should be liable for those transactions. I also consider it to be more likely than not that Mr S received benefit from some of those transactions.

Lloyds has provided evidence to show that it sent statements and letters to Mr S using the correct address for him. It seems likely that those letters were intercepted by Mr S's ex-partner before he received them. But it was Mr S's responsibility to manage his account. So when he didn't receive statements about the account, I consider that it would be reasonable to expect him to have contacted Lloyds. He didn't respond to any of the letters that Lloyds sent to him about his debt (even after he'd become aware that the account was being used by his ex-partner) so I consider that it was fair and reasonable for Lloyds to default the account and to record the default on his credit file.

Lloyds has cancelled the debt on his credit card account - which it says was opened fraudulently – and Mr S says that other providers have done similarly on other accounts. But this account wasn't opened fraudulently and I'm not persuaded that Mr S's ex-partner's use of the account was fraudulent.

I sympathise with Mr S for the situation in which he finds himself and recognise the trouble and upset that he's been caused. Lloyds has accepted that it's handling of his complaint has caused him further distress and inconvenience – and it has sent him a cheque for £450. But I find that it wouldn't be fair or reasonable in these circumstances for me to require Lloyds to remove the default from Mr S's credit file, to write-off the debt or to take any further action in response to his complaint.

my final decision

For these reasons, my decision is that I don't uphold Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 10 April 2017.

Jarrold Hastings
ombudsman