

complaint

Ms D complains that Lloyds Bank PLC didn't properly set up her debt management plan and harassed her when she was making payments through the plan.

background

Ms D approached a debt management charity to help her arrange repayment plans. The charity set up an arrangement with Lloyds to pay back £5 per month. Ms D explains that all of her other debts were in her maiden name and so the debt management plan was set up in that name. Because Ms D's accounts with Lloyds were in her married name the payments were rejected and the plan couldn't be set up properly. Ms D explained that she made the agreed payment but she kept being contacted and harassed for payment. Ms D has said that this had an effect on her health and has made her existing health problems worse.

Lloyds explained that it could not accept the payments as they were in an incorrect name and it told Ms D to change her name with the charity. Ms D wasn't able to do this as it affected the payments being made to other creditors. Ms D complained and Lloyds removed all the interest and charges that had been added since the charity had told the bank it was helping Ms D. Eventually the plan was set up on the account and Ms D made standing order payments instead. Ms D was set up for alerts through her online account and this meant that she kept getting text messages and calls even after the plan was in place. Lloyds told Ms D how to switch off the alerts and paid her £55 plus £10 towards her calls to reflect the inconvenience caused. Lloyds also arranged for Ms D's accounts to be managed by a specialist team and brought her debt back from solicitors into recoveries so that no more interest and charges will be added.

Our adjudicator recommended that the complaint should be upheld. He thought that Lloyds should have sent everything to the debt charity and not kept contacting Ms D. He thought that Lloyds should pay £250 to reflect the trouble and upset caused by this. Lloyds didn't agree and said in summary that it wasn't to blame because the name was wrong and the contact that Ms D had was because of the online alerts. It said that it had resolved this part of Ms D's complaint by paying £65 to reflect the trouble and upset caused.

my findings

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

I can see that there has been a problem with Ms D's name and this has meant that the bank couldn't properly set up the plan and rejected the payments. The charity has said that Ms D could only have the arrangement in one name and so it couldn't be changed. Ms D is now making payments by standing order and the bank has set up the arrangement. I think that this has taken some time to sort out and I don't agree that the bank has acted fairly. I agree with the adjudicator that given Ms D's circumstances the bank should have sent letters and other information to the debt charity and this solution should have been put in place sooner. Ms D has had to sort out the problem and has visited the bank a number of times. I don't think the bank did enough to help Ms D to set up a plan after it knew she was struggling.

After Ms D complained the bank did put in place a plan and transferred her accounts to a specialist team. Ms D then had further contact from the bank because of the alerts set up on her online account. I can understand how distressing this was for Ms D given the problems

that she had with sorting out the plan. I can see that Lloyds explained to Ms D how to switch off the alerts and paid her £65 for the trouble and cost of calls but I don't think this is enough. Ms D had told the bank how upsetting the contact was and I think it should have done more to make sure that it didn't happen.

I agree with the adjudicator that Lloyds should pay Ms D a further £250 to compensate her for the poor handling of her concerns.

my final decision

My final decision is that I uphold this complaint. In full and final settlement of it Lloyds Bank PLC should pay Ms D £250. Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 7 December 2015.

Emma Boothroyd
ombudsman