

complaint

Mr B complains that Lloyds Bank Plc (previously Lloyds TSB Bank Plc) irresponsibly provided him with credit facilities causing him financial distress. He is also unhappy with the interest rate he was charged and that a repayment holiday was not provided even though it had been agreed.

background

The adjudicator did not recommend that the complaint should be upheld. In her view, Lloyds correctly followed its lending policy when it provided a loan in 2009 to refinance Mr B's existing debts. She considered the loan was affordable when it was offered. She was satisfied Lloyds was commercially entitled to set the rate of interest and that the rate was clearly stated in the loan agreement. She could not find any evidence to suggest Lloyds had agreed to a repayment holiday.

Mr B is still unhappy. He wants the interest to be stopped and the loan cancelled. He also wants adverse information removed from his credit record.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I find that I have come to the same conclusions as the adjudicator did, for much the same reasons.

Mr B does not dispute that he accepted the terms of the loan agreement and had the use of the funds. I am satisfied that Lloyds correctly followed its lending policies and procedures including credit scoring and affordability checks at the time the loan was offered. Mr B met the required criteria. I am also satisfied Lloyds is legitimately entitled to set the rate of interest in line with its own credit policies.

Lloyds has a duty to ensure the information it reports on Mr B's accounts is processed fairly and accurately. I consider the information recorded on Mr B's credit record is fair and accurate, so I do not require Lloyds to do anything further.

I appreciate Mr B is doing all he can to repay his debts and maintain his credit record in a difficult financial situation. I also understand he has received support from debt advice agencies and that a repayment plan has now been agreed.

Mr B says he agreed a loan repayment holiday with Lloyds. Lloyds is unable to provide a recording of the call, but on the basis of the evidence provided, I do not consider Mr B met the criteria required to enable Lloyds to agree to such an arrangement.

Mr B is also unhappy that Lloyds did not repay his overdraft and credit card debts when he took out the loan in 2009. I do not consider Lloyds was obliged to do so. It is not unreasonable to conclude that Mr B had a responsibility to use the proceeds to repay these debts if he was concerned about his financial situation.

Whilst I empathise with Mr B's situation, on the basis of the evidence provided, I cannot compel Lloyds to cancel the remaining loan. However, I would remind Lloyds of its obligation to act positively and sympathetically when customers are in financial difficulty.

my final decision

My decision is that I do not uphold this complaint.

Andrew McQueen
ombudsman