

## **complaint**

Mr K complains that Lloyds Bank plc (“Lloyds”) has applied unfair charges to his account.

## **background**

Mr K’s current account was overdrawn by just under £70 in September 2007. Lloyds applied various interest and bank charges to his account.

Mr K paid £30 in to his account in April 2008 but as he didn’t make any other payments, his account was transferred to the recoveries team in November 2008.

Mr K says he closed the account in 2008 as he was leaving the UK for some time. When he returned in 2010, he was upset to find the bank hadn’t closed his account.

Lloyds says it applied the charges in line with the terms of Mr K’s account. Our adjudicator didn’t recommend that Mr K’s complaint be upheld. He was satisfied that Lloyds had applied the charges correctly. He explained that following the Supreme Court’s decision on bank charges in November 2009, charges can’t generally be challenged on the grounds they are unfair or too high.

Mr K is unhappy with our adjudicator’s conclusions. He says he visited his bank before leaving the UK in 2008. And a member of staff asked him to sign something and cut up his card. Mr K says he didn’t hear back from the bank as agreed and was unaware of the overdraft and charges. Mr K says he isn’t able to work at the moment so he can’t repay the full balance on his account.

## **my findings**

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint. In cases like this, where the evidence is inconclusive, I reach my decision on the balance of probabilities. That means I’ll look at all the available evidence and decide what I think is most likely to have happened.

I agree with our adjudicator that I can’t require Lloyds to refund any of the charges that it applied. Mr K didn’t have an agreed overdraft on his account. When his account became overdrawn in September 2007, Lloyds was entitled to apply excess overdraft charges and interest. It follows that I don’t find the bank should be ordered to refund any of the charges that make up Mr K’s debt.

Once the account was defaulted at the end of 2008, the bank stopped all further charges and interest. I find it acted reasonably when it did this as Mr K didn’t reply to any of the notices of arrears or final demands.

Mr K says the bank promised to write to him after he visited the branch in 2008 to close his account but he never received a letter. Lloyds says it didn’t agree to close Mr K’s account and has no record of Mr K’s visit.

Mr K last credited his account in April 2008. He appears to have made the deposit in the same branch he says he discussed closing his account. By April 2008, Mr K’s account was over £660 overdrawn. I can’t be certain what Mr K and the bank discussed. But I’m not persuaded Lloyds would’ve agreed to close Mr K’s account given the outstanding overdraft. It follows that I don’t find Lloyds did anything wrong when it kept Mr K’s account open.

Mr K has asked me to take account of the fact another bank agreed to close his account and pay compensation. I have considered this, but each case is different so this doesn't change my decision.

Finally, Mr K says he can't repay the money as he hasn't been able to work after an accident. I'm sorry to hear this but Lloyds has sold the debt to a third party debt collection company. I suggest that Mr K speaks to the debt collection company about his circumstances to see if he can reach an agreement over the remaining debt.

**my final decision**

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 4 January 2016.

Gemma Bowen  
**ombudsman**