

complaint

Mr T complains that Lloyds TSB Bank plc (trading as Lloyds TSB) has not provided him with a copy of his signed credit agreement, and that his agreement is therefore unenforceable. He also said that the bank did not tell him that it would record his reduced repayment arrangement on his credit file.

our initial conclusions

The adjudicator did not recommend that the complaint should be upheld. He concluded that this Service did not have the power to declare a credit agreement unenforceable as this was a matter for the court to determine. He also said that Lloyds TSB had a duty to record accurate information on Mr T's credit file, and that the bank had acted correctly in recording a default on his file. Mr T disagreed, and responded to say, in summary, that he had been told that no information would be reported to the credit reference agencies about his repayment arrangement.

my final decision

To decide what is fair and reasonable in this complaint, I have considered everything that Mr T and Lloyds TSB have provided.

Mr T said that he had been told that no information would be applied to his credit file when he agreed a repayment arrangement. On balance, I do not consider that Lloyds TSB would have said this as it has a duty to report accurate information to the credit reference agencies ("CRAs"). So, I consider that the registration of the negative information was correct and in line with the bank's obligation to give correct information to CRAs. It reflected the fact that Mr T was not making his contractual minimum monthly repayments to Lloyds TSB. Mr T said that if he had known that negative information would be put on his credit file, he would not have agreed to the arrangement.

He would have tried to settle the account, but he has not substantiated how he would be able to do this. So, on balance, I do not consider that Lloyds TSB acted unfairly in registering the negative information. I also note that Lloyds TSB said that it had complied with Section 78 of the Consumer Credit Act 1974 by supplying a copy of the credit agreement, albeit unsigned. Like the adjudicator, I agree that the enforceability of the agreement is a matter for the courts to determine.

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr T either to accept or reject my decision before 30 July 2013.

Roslyn Rawson

ombudsman at the Financial Ombudsman Service

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

ombudsman notes

Where the evidence is incomplete, inconclusive, or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

what is a final decision?

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

what happens next?

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.