

## **The complaint**

Mr C complains that Lloyds Bank PLC won't review his credit limit increase request.

## **What happened**

Mr C feels that his credit limit was unfairly reduced by Lloyds, and he made a complaint with them about this. As part of Lloyds response to him on 31 January 2023, they said they would be willing to review this for him, and they told him they would need several pieces of information from him.

Mr C provided this information to Lloyds, but he didn't hear back from them for a while. When he did, he was told on 20 July 2023 that as he wasn't a UK citizen they wouldn't look to complete a review of his credit limit as it's not their policy. Mr C lives overseas, and he said he is a UK citizen, but he just doesn't live in the UK. Mr C made a complaint to Lloyds.

Lloyds partially upheld Mr C's complaint and arranged to pay him £50 compensation. They apologised that they didn't let him know sooner that they can't look to increase his credit limit. Lloyds said as Mr C was living outside of the UK, regardless of the fact that he's a British citizen, their position on reviewing his credit limit isn't going to change. Mr C brought his complaint to our service.

Our investigator did not uphold Mr C's complaint. He said our service doesn't have the power to tell Lloyds who they should lend to as this is a commercial decision for Lloyds to make. He said the £50 was reasonable for the poor service Mr C had.

Mr C asked for an ombudsman to review his complaint. He made a number of points. In summary, he said the compensation was to reimburse him for expenses he incurred on postage, which he needed to send by registered mail, and he sent us a chronology of the events since the initial issue occurred. Mr C had concerns about whether Lloyds were being openly honest, transparent, consistent, and fair without our service having the internal Lloyds policy, and he felt someone higher at Lloyds should have viewed his appeal, due to what the regulator might say about their policy. Mr C said Lloyds should be made aware of the chronology of events at a more senior level.

Mr C also says that what he's never been able to understand or accept is why no one at Lloyds did not make any attempt whatsoever just to take a moment simply to look at the account he had with them for several decades with an unblemished record in conducting all of his affairs with them during this time, before taking the severe and extremely harsh action to drastically reduce the credit limit on the account. He said he was informed that all of the communications from the bank in such matters are triggered automatically with no one at the bank intervening to question it, so his point was that if someone had actually done this then he had no doubt that common sense would have prevailed and prevented any further course of action by Lloyds.

## **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and

reasonable in the circumstances of this complaint.

Firstly, I'm aware that I've only summarised Mr C's complaint points. And I'm not going to respond to every single point made by him. No discourtesy is intended by this. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

I'd like to explain to Mr C that it is not within this service's remit to tell a business how they should run their policies and procedures, such as if they should review a credit limit for a customer if they live overseas, or whether a member of staff should intervene instead of them sending out automatic communications. It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct Lloyds to make changes to their policies and procedures, if necessary.

I'd like to thank Mr C for taking the time to send us a chronology of events. As Mr C has strong feelings about Lloyds viewing this I will ask our investigator to forward this onto Lloyds. But I'd like to be transparent with Mr C as Lloyds won't be obliged to make senior management aware of this chronology, and they aren't required to make comments or respond to this. Lloyds also weren't required to ask a senior manager to review Mr C's appeal, regardless of any action Mr C feels the regulator may or may not take about this issue.

I also must make Mr C aware that as he was told about Lloyds' automatic letters as part of his previous complaint, and his original complaint about the credit limit reduction was brought to our service, I don't have the power to look into what Mr C has said about this and his credit limit being reduced as part of his new complaint he's brought to our service.

I know Mr C has concerns that Lloyds aren't being transparent about their policy to review a credit limit for someone who lives overseas, especially as they haven't forwarded this internal policy to our service. But I'm satisfied that I don't need to see this policy to know Lloyds are being open about this, and I'll explain why.

Lloyds confirmed in the letter to Mr C dated 20 July 2023 that their personal lending team had been consulted about Mr C's credit limit being reviewed (increased) and they confirmed that this was bank policy to not review Mr C's credit limit as he lived overseas. While the letter contained an error and said this was because Mr C wasn't a UK citizen, this was later acknowledged as an error in the 4 September 2023 letter.

A different member of staff (our investigator has already shared the name and role of the staff member to Mr C) has also confirmed this was Lloyds' policy. And I've also had sight of an internal Lloyds system note which says that due to Mr C's address, Lloyds' personal lending department are unable to review a credit limit increase for Mr C as he is a "*non-UK resident*". So I'm not in any doubt that this is Lloyds' policy.

But Lloyds did let Mr C down by setting an expectation that they could review Mr C's credit limit. Mr C was unnecessarily inconvenienced by sending Lloyds information to help with his appeal, only for Lloyds to tell him that they couldn't review this as he lived overseas, therefore their policy was not to conduct credit limit reviews for overseas customers.

If Lloyds would have told Mr C their policy initially, then this would have saved Mr C sending Lloyds this information and having to wait time to find out the outcome of his review, only to be distressed that they wouldn't have reviewed his credit limit anyway based on him living overseas.

So I've considered what would be a fair outcome for this complaint. I've considered what Mr C has said about the cost of the recorded delivery. But I can't see that Lloyds told him to send this information by recorded delivery on the letter they sent him. While I can understand why Mr C chose to do this as other post did not appear to be delivered to Lloyds, I can't hold them responsible for any postal errors, as this would be out of their control.

The £50 Lloyds paid Mr C is in line with our awards for what happened here for the distress and inconvenience he was caused for not telling him at the earliest stage that they wouldn't review his credit limit. I must explain to Mr C that our awards are not designed to punish a business or to make them change the way they act in order to protect other customers in the future. That is the role of the regulator. We sometimes award compensation if we feel that a business has acted wrongfully and therefore caused distress and inconvenience to their customer over and above that which naturally flows from the event. So as Lloyds have already paid Mr C £50, it follows I don't require them to do anything further.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 30 July 2024.

Gregory Sloanes  
**Ombudsman**