

## **complaint**

Mr F complains that Lloyds Bank PLC unfairly transferred his business borrowing to the recoveries department having failed to deal with his letters.

## **background**

Mr F took a consolidation loan for his business in November 2013. He was unable to make all the payments due to limited trading. A formal demand was made and in July 2014 the balance transferred to recoveries. Mr F lives abroad and said that in November 2013 he had told Lloyds to alter his correspondence address. He said that he sent two further letters in 2014 to which he received no response.

The adjudicator did not recommend that the complaint should be upheld. Lloyds said that it had not received letters from Mr F. She was unable to conclude what happened so instead she looked at whether it was inevitable that the borrowing would transfer to recoveries. Mr F's business was not trading, there was an unauthorised overdraft position and loan repayments had been missed. The loan had been refinanced before and at an interest rate Mr F was unhappy with. She thought it unlikely that an acceptable agreement could be reached and noted that Lloyds had said it was looking for full repayment.

Mr F did not agree and said, in summary, that he was not satisfied as Lloyds had been given the benefit of the doubt. He said that Lloyds was inefficient in responding and confirming his instructions. He said that he had been waiting since 2012 to receive details of a replacement point of contact and that he used to be able to send emails to a named manager.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I understand Mr F's position and that he has found it difficult to know who to communicate with at Lloyds. I can only see his frustration compounded when Lloyds sent its first version of its final response letter to his address here rather than abroad, although it corrected this the following day.

Lloyds received the signed loan documentation from Mr F. I have no particular reason to doubt that he did not include the cover letter asking that his address be changed. That clearly did not happen. I note that Mr F later speculated that this might be because he was unable to present himself at a branch here but Lloyds just says it has no record of receiving this.

But it was apparent to Mr F that for whatever reason his address had not been changed. Statements on his account were still being sent to the address of his friend here. He did not try to change this again until some way into 2014. As the adjudicator has said he did not make all the loan payments and was in arrears. He was using the business current account which had an unauthorised overdraft position. For reasons which are not clear to me and seem linked to Mr F being abroad Lloyds was unable to contact him by telephone. But its records state that in March 2014 a letter of concern was sent to Mr F's address abroad and that this was diarised for an extra week as a result. I do not think Mr F received this either as he has not mentioned it.

Mr F was aware of the position on his accounts because he said he wrote (but no longer has a copy of the first of two letters) saying that in his terms his account was “in limbo” as he had no income at that time. I am not clear what prompted that first letter or what date Mr F thinks he sent it. But as he did not appear to be able to offer anything in payment I do not see that this would necessarily have stopped Lloyds making a formal demand, if it had not done so by then, or later transferring his account to recoveries.

I agree with the adjudicator that the transfer of Mr F’s borrowing to recoveries and everything that followed is independent of the disputed problems with correspondence. As a result I know I am going to disappoint Mr F with my decision.

**my final decision**

In light of the above my decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr F to accept or reject my decision before 10 July 2015.

Michael Crewe  
**ombudsman**