

The complaint

Mr and Mrs C complain about the amount of time it took Lloyds Bank plc (Lloyds) to remove a default. They say this resulted in a loss in the region of £20,000 for which they would like compensation.

What happened

The details of this complaint are well known to both parties so I won't repeat them again here instead I will focus on giving the reasons for my decision.

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.

Having done so I have reached the following conclusions:-

- I appreciate Mr C's point that although Lloyds agreed to remove the default in 2022 he feels the information to do this was available in 2021. However, as I understand it in 2021 Lloyds didn't agree to Mr and Mrs C's complaint being looked at as it was out of time. I also understand from Mr C that another complaint about the same matter was similarly found to be out of time in 2019. When jurisdiction decisions about whether cases can be looked at are being considered we focus on the jurisdiction issue not the merits of the full case. Unfortunately, as I understand it Lloyds didn't agree to Mr and Mrs C's case being looked at previously so I can't predict the outcomes had it done so.
- I don't agree Lloyd's approach was inconsistent, our rules set out the relevant timeframes for us to be able to consider complaints – businesses are aware of these timescales. Also, Mr and Mrs C's complaint was complicated by the involvement of other businesses. It's not unreasonable for Lloyds to have taken into account a relevant decision by this service about one of the other businesses in agreeing to remove the default
- From what I have seen I don't feel Lloyds unduly delayed removing the default as it only received the information it needed in March 2022. it is important that credit files accurately report credit history, so I don't think it was unreasonable of Lloyds to obtain the information it needed before removing the default. And it can take some time after advising credit reference agencies for credit files to show as updated.
- Mr and Mrs C say they have lost out financially by about £20,000 as they haven't been able to remortgage their property due to the default on Mrs C's credit file. Unfortunately, they haven't provided any evidence to support this. Whilst I have no reason to disbelieve what they have told us lenders use a range of factors in making their decisions. If Mr and Mrs C have had problem re-mortgaging or obtaining other credit it may be down to other factors not simply one specific default.

- As I haven't found Lloyds to be at fault I can't reasonably expect Lloyds to provide compensation. I have however noted Lloyds has already paid £40 compensation to reflect the fact it took longer than the 8 weeks we expect businesses to resolve complaints within. I think was reasonable.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C and Mr C to accept or reject my decision before 7 February 2024.

Bridget Makins
Ombudsman