

The complaint

Miss I is unhappy that Lloyds Bank PLC didn't accurately record when she'd told them of health issues she suffers with and feels that Lloyds didn't take her health issues into account when administering her loan as a result.

What happened

Miss I had a personal loan with Lloyds. In February 2020, Miss I fell into financial difficulty having been made redundant and having to start a new job shortly before the emergence of the Covid-19 global pandemic, which unfortunately exacerbated her situation.

Miss I contacted Lloyds about the difficulties she was having and Lloyds provided financial support to her. Miss I continued to struggle to meet her loan repayments throughout 2020 and into 2021, and she continued to update Lloyds about her situation, including notifying them of the health issue she suffers with.

However, in September 2021, Lloyds felt they'd exhausted the financial assistance they could provide to Miss I. And because the loan was in a position of prolonged arrears, they moved to default the account. Miss I wasn't happy about this and felt that Lloyds hadn't taken fair account of the health problems she'd told them about. So, she raised a complaint.

Lloyds responded to Miss I and explained that they had record of her informing them about her health issues in September 2020 but confirmed that they didn't feel they'd acted unfairly in how they'd administered her loan account. Miss I wasn't satisfied with Lloyds' response, especially as she'd told them about her health issue several months earlier than Lloyds were claiming. So, she referred her complaint to this service.

One of our investigators looked at this complaint. They noted that Lloyds' own records did confirm that Miss I had told them about her health issues in June 2020. But because Lloyds were already providing financial assistance to Miss I at that time, they didn't feel Miss I had received any less support from Lloyds than she reasonably should have done. Miss I remained dissatisfied, so the matter was escalated to an ombudsman for a final 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'd like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the factors and circumstances of a complaint into consideration.

Miss I first contacted Lloyds about her financial position in February 2020, having started a new job following being made redundant, and explained that the change in her employment

circumstances meant she was struggling to meet the payments due on her loan.

Notably, when Miss I first contacted Lloyds about her financial position, Lloyds' notes make no reference to Miss I telling them about her health issues. Instead, Lloyds' notes explain that Miss I was now working a new job and anticipated being able to recover the position of her loan account and resume making the contractual payments towards it shortly thereafter.

Unfortunately, the emergence of the Covid-19 pandemic happened not long after Miss I first contacted Lloyds and while she was still trying to recover the position of her account following her change of employment. And the consequences of Covid-19 impacted Miss I's new employer and so further adversely affected Miss I's financial position.

Miss I contacted Lloyds about this on several occasions throughout 2020 and into 2021. And Lloyds contact notes first record Miss I informing them of her health issues – which meant she was vulnerable to Covid-19 and so had to shield at home – as being a contributing factor to her financial difficulties in June 2020.

Miss I feels that Lloyds didn't provide her the financial support they should have done because they didn't take account of the health issues she suffers with, which she told them about and which she feels they didn't take sufficient account of.

I can appreciate why Miss I would feel this way, especially as Lloyds' response to her complaint failed to acknowledge that she had told them about her health issues in June 2020 and wrongly said that she'd first informed them about her health issue several months later, in September 2020.

A bank such as Lloyds is only obliged to provide a certain level of financial support to a loan account holder who struggles, for whatever reason, to meet their repayment obligations. And because Lloyds were already providing that level of support to Miss I in response to the financial difficulties she'd made them aware of beginning in February 2020, the fact that she later informed Lloyds of her health issues made no tangible difference to the support that Lloyds could offer – because they were already providing appropriate support to her.

It's also evident that Lloyds did take note of Miss I's health issues in June 2020, because it's recorded in their contact notes at that time. And while it's correct that when Lloyds responded to Miss I's complaint the staff member who handled that complaint didn't correctly recognise when Miss I had told them about her health issues – presumably because they made an error when checking the historical notes. But this was an error on the part of the complaint handler only and is one which I'm satisfied hasn't impacted the support that Miss I has received from Lloyds since her financial difficulties began, as explained above.

All of which means that I don't feel that Lloyds did act unfairly towards Miss I regarding how they administered her loan account and the level of financial support they provided to her.

And while I can appreciate why Miss I is unhappy with how Lloyds responded to her complaint, including when Lloyds said she'd first notified them of her health issues, this isn't an aspect of her complaint that I'm able to consider. This is because the rules by which this service must abide – which can be found in the Dispute Resolution ("DISP") section of the Financial Conduct Authority ("FCA") Handbook – include that this service is only able to consider complaints about specified activities, of which complaint handling isn't one.

I realise this won't be the outcome Miss I was wanting, but it follows from all the above that I won't be upholding this complaint or instructing Lloyds to take any further action here.

Importantly, as explained, I'm satisfied that Miss I hasn't received a lower standard or

amount of financial support from Lloyds that she was reasonably entitled to here. I hope that Miss I finds some reassurance from knowing that someone independent and impartial has looked into this matter for her and found this to be the case.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss I to accept or reject my decision before 28 September 2023.

Paul Cooper
Ombudsman