

## **The complaint**

Mr G complains that Lloyds Bank PLC is unfairly holding him responsible for repayment of a Bounce Back Loan (BBL).

## **What happened**

In July 2020, Mr G made a successful application for a £2,000 BBL. Lloyds paid the funds into his sole trader business bank account.

BBLs were part of a government-backed scheme, designed to help businesses get finance more quickly if they were adversely affected by the coronavirus outbreak.

The repayments on the BBL fell into arrears and Mr G complained to the bank, saying that when he'd applied for the BBL, it was on behalf of a Community Interest Company (CIC). He said he wasn't trading as a sole trader and shouldn't be held responsible for repaying the BBL. Lloyds didn't change its position. It said that Mr G only had a sole trader account, and that he'd applied for the loan and entered into the agreement. Mr G referred his complaint to us.

Our investigator looked at the evidence and concluded that Lloyds hadn't done anything wrong in pursuing Mr G for repayment of the loan. She said the loan agreement was between Mr G and Lloyds, and the loan funds were paid into Mr G's sole trader account.

The investigator noted that there was a record of a conversation in 2016 between Mr G and Lloyds about the bank account. At the time, he mentioned that the business was trading as the CIC. It was agreed that Mr G would continue trading with the sole trader account and a new account for the CIC would be opened in the future. But no application for a new CIC account was ever received by Lloyds.

Mr G asked for an ombudsman to review the case. He said the bank's documents didn't give him any indication that the accounts were in his name as a sole trader.

## **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.

I'm sorry to disappoint Mr G, but I've reached the same conclusion as the investigator, and for largely the same reasons.

Mr G believes that there was an error when the bank account was set up, which was many years before the conversation in 2016. He says it shouldn't have been a sole trader account. But that's not a matter I can consider, because it's outside our time limits – as the investigator has already explained to Mr G. In any event, it's clear that from the 2016 conversation onwards, Mr G knew that the bank account was set up as a sole trader account. I therefore believe he would have been aware of this when he applied for the BBL in 2020.

Having looked at the loan documents, I'm also satisfied that both the BBL application and its facility letter were in the name of Mr G as a sole trader. The funds were then paid into his sole trader bank account. In my view, all this is clear from the documents provided by the bank to Mr G. For these reasons, I can't reasonably say that the bank has wrongly held him responsible for the loan.

I know that Mr G will be disappointed by my decision. I realise he is very anxious about the implications of the debt, both for himself and for his family, and he has my sympathy. But I don't find that Lloyds has acted unfairly or unreasonably by seeking repayment of the BBL from Mr G.

### **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 Mr G to accept or reject my decision before 21 December 2023.

Colin Brown  
**Ombudsman**