

## **The complaint**

Mr B complains that Lloyds Bank Plc has treated him unfairly in relation to his credit card account.

## **What happened**

Mr B made a Section 75 claim under the Consumer Credit Act 1974 to Lloyds regarding a transaction relating to flights which was made in 2022. That issue has been dealt with separately by this service through an Ombudsman's decision.

Mr B's complaint here is about how Lloyds have treated him since he raised his s75 claim, specifically notifying him of arrears on his credit card account, having its collections team contact him and it subsequently reducing his credit limit on his credit card account. So he complained to Lloyds about these issues, but it responded saying it hadn't done anything wrong. So Mr B complained to this service. Our investigator looked into the matter. Overall, he didn't think Lloyds had acted unfairly regarding the management of the account. Mr B didn't agree. So the complaint has been passed to me to decide.

## **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.

### *Arrears*

Lloyds has provided evidence that Mr B didn't make the monthly payments to his credit card for some time from November 2022 onward. As this is the case Lloyds has treated him fairly by recording those missing payments and applying charges and reporting this on his credit file as that fairly reflects what happened on his account. I appreciate Mr B feels Lloyds treated him unfairly regarding his S75 claim against the merchant in that case. But just because Mr B had a dispute with a merchant he'd paid with his Lloyds card doesn't mean he doesn't have to pay what he owed Lloyds on a monthly basis as he'd agreed with Lloyds when he agreed to have a credit card with Lloyds.

### *Collections*

Mr B feels it unfair that after not paying his monthly payments, Lloyds having contacted him a number of times about him not making the payments he was obliged to, Lloyds changed how it approached matters and passed his account to its collections team. How Lloyds manages its processes is for it to decide. However where an account holder doesn't make the payments as required (and agreed) on a number of occasions, I think it is fair for Lloyds to try other ways of getting the money it has credited to Mr B back.

### *Credit Limit*

Subsequently Mr B has told this service that Lloyds reduced his credit limit. Lloyds it said it did this after reviewing his account and considering factors such as the management of the

account. Lloyds is entitled to decide how and where it lends its money. And it is also entitled to review these decisions fairly. I've seen no persuasive evidence of it treating Mr B unfairly here. Mr B spent on his Lloyds card and then didn't repay Lloyds as he'd agreed and was bound to do under the agreement he has with Lloyds. I can understand why it didn't want to risk lending more money that might not be paid back.

Mr B has said he "*didn't knowingly do anything fraudulent to be treated like a criminal.*" I don't think Lloyds has treated him like a criminal. It has acted as I'd expect it to act where repeated monthly payments aren't made on a credit card account and arrears are in place. Mr B says he's not been involved in any "*fraudulent activities*". I've not seen persuasive evidence of Lloyds saying that he has. But throughout Mr B's account holding he's been required to manage his account and make monthly payments. And I can see for a number of months he didn't make such payments. So I don't think Lloyds has done anything wrong by asking him to do so or recording that he didn't pay when he was meant to. Mr B says he's had an account for a long time. This is clearly the case. But that doesn't change that he has to pay back the money he's borrowed from Lloyds. Mr B says what happened here has impacted his family and his relationships and his health. I'm very sorry to hear this and I hope Mr B gets the help he needs. Nevertheless Mr B used his Lloyds card to borrow money for flights and he hasn't been paying Lloyds back for this borrowed money. Just because he has a dispute with the merchant he paid the flights for, doesn't mean he gets not to pay Lloyds back the money he borrowed from it.

Mr B has said he cannot afford to pay this money back and has asked where this leaves him. Mr B should liaise with Lloyds about any financial difficulties he has in paying this money back. Lloyds is required to treat those in financial difficulties positively and sympathetically. But it is also entitled to try to get its money back also. I strongly suggest Mr B speaks to Lloyds about how he can repay the money he owes and get his account back to a mutually agreeable state of affairs by working together with Lloyds. Having considered this matter I think Lloyds has treated Mr B fairly. As a consequence Mr B's complaint is unsuccessful.

### **My final decision**

For the reasons set out above, I do not uphold the complaint against Lloyds Bank Plc. It has nothing further to do in this dispute.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 30 October 2023.

Rod Glyn-Thomas  
**Ombudsman**