

The complaint

Ms B complains Lloyds Bank PLC closed her credit card.

What happened

Ms B was told her credit card would be closed as she wasn't using it enough. Unhappy with this decision Ms B complained to Lloyds.

Lloyds responded to say it reviews credit cards to make sure any borrowing is manageable. Having done this review for Ms B, Lloyds decided to close her credit card in 60 days. Lloyds said it wouldn't be offering a new card to Ms B.

Ms B brought her complaint to this service and an investigator looked into things. The investigator didn't think Ms B's complaint should be upheld.

The investigator thought Lloyds had given Ms B the required notice about the closure. The investigator also looked at Lloyds' review. Lloyds said Ms B had no income, so the investigator thought it was fair of Lloyds not to offer Ms B a new credit card.

Lloyds had paid Ms B £50 for some long waits on calls to Lloyds, and the investigator thought this was a fair amount to pay, but Lloyds acted fairly in closing the credit card.

Ms B disagreed. Ms B said it's right she has no income, but this was also true when she was first given the credit card. Ms B felt it was unfair for Lloyds to grant her a credit card, knowing she had no income, and now remove it for the same reasons.

Ms B also explained why she didn't need an income from work, she owns her property and has small outgoings and a private income. Ms B asked for an ombudsman to decide things.

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.

Ms B has said she hardly used the credit card through 2019, 2020 or 2021. Lloyds says Ms B didn't use the card at all in 2022. Because Ms B wasn't using her credit card Lloyds reviewed things before deciding whether to issue a new card.

Lloyds said during this review it identified Ms B had no income from work, so it felt she might struggle to manage the credit card and its repayments.

I think this is a fair thing for Lloyds to conclude.

Ms B has mentioned her private income and small outgoings. While I accept this is the case, it doesn't change my thinking about Lloyds' review and its conclusions.

Lloyds thinks Ms B might struggle to repay money lent to her on the credit card. I think this is

a reasonable thing for Lloyds to think. Ms B has to make monthly payments to the credit card if she borrows money on it.

From what Lloyds can see, Ms B would struggle to do this without a regular income. And if Ms B's financial circumstances were to change, it would be very unlikely she'd be able to maintain payments to the credit card.

Lloyds is required to think about how Ms B could pay towards her credit card both now and in the future. The rules governing lending decisions have changed recently, and there are more requirements on businesses to ensure lending is affordable.

And this also explains why Ms B was given a credit card previously, without an income.

The further requirements around affordability weren't in place when Ms B was first given the credit card. But, since Lloyds now has more rules to follow, its reviews need to be more complete and different decisions might be made.

Lloyds gave Ms B the notice required in the terms and conditions of her credit card. And, I think, Lloyds carried out a fair review into Ms B's financial circumstances and based its decision not to agree a new credit card on this review.

In the circumstances, I don't think Lloyds has done anything wrong here.

But Ms B spent too long waiting on calls when trying to speak to Lloyds about what happened. This will have been frustrating for Ms B. I think the £50 Lloyds has already paid Ms B is enough to compensate her in the circumstances.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 17 October 2023.

Chris Russ
Ombudsman