

202/04

12 November 2004

APPLICATION FOR DECLARATORY JUDGEMENT REGARDING SECTION 75 OF THE CONSUMER CREDIT ACT

We are pleased that the court has clarified that Section 75 of the Consumer Credit Act 1974 does not apply to foreign credit card transactions and that credit card providers are not liable for claims that borrowers have against suppliers.

We have long believed that Section 75 had no validity in relation to foreign credit card transactions and it is helpful that the law has been clarified in this respect.

This decision will not result in any change of our policy toward customer claims. Lloyds TSB will maintain its current arrangements for compensating customers by continuing to pay claims against foreign transactions on a voluntary basis up to the amount charged to the card. The way in which claims for UK transactions are handled is unaffected by this ruling.

David Gagie, Managing Director of Consumer Lending and Current Accounts, said:

“We are pleased to have clarification on this complex and important legal issue. Going forward, we will continue our existing policy of paying UK credit card claims in full and foreign claims to the amount charged to the card on a voluntary basis. This means that, in practice, our customers will not be affected”.

-ends-

For more information:

Mary Walsh/Sacha Hardy

Lloyds TSB Press Office

Tel: 020 7356 2121/020 7356 1262

E: mary.walsh@lloydstsb.co.uk

www.mediacentre.lloydstsb.com