

## **The complaint**

Mr G is unhappy with the way Bank of Scotland plc (trading as Halifax) has handled his loan account.

## **What happened**

Mr G's complaint is that:

1. Halifax haven't provided him with statements for his personal loan account
2. Halifax charged him more than they should have on his loan therefore meaning his balance was incorrect
3. Mr G's unhappy with Halifax's actions when transferring his debt for his personal loan over to a debt collector
4. Halifax didn't give him the opportunity to sort out the loan as he was in financial difficulties.
5. He believes the bank went behind his back by passing his debt over to a debt collection agent – and because his debt is with Halifax, it should stay with them.
6. Mr G doesn't accept the debt should still be outstanding and thinks Halifax should write it off.

Our investigator initially said we couldn't look at Mr G's complaint because he'd brought it to us more than six months since the date of Halifax's final response letter. As Mr G was unhappy with this, his complaint was passed to an ombudsman.

The ombudsman issued a decision and explained we couldn't look at the complaint points addressed in Halifax's first final response letter (points one to three) as Mr G had bought the complaint too late. However, the ombudsman said we could look at the issues addressed in Halifax's second final response letter (points four to six) as Mr G did refer that complaint to us in time.

Our investigator considered the points in Halifax's second final response letter and she didn't uphold the complaint.

She considered the issues raised, but as Mr G didn't make payments she thought it was fair a default notice was issued – and that Halifax had treated him fairly in doing so. The terms and conditions allowed Halifax to pass the debt over to an agency, and she didn't think it was fair for the debt to be written off because Halifax hadn't done anything wrong.

Mr G didn't agree and asked for an ombudsman's 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.

As I've outlined above, I won't be revisiting the parts of the complaint we can't look at – an ombudsman has already explained this. So my decision will be focusing on points four to six only.

### *Mr G's financial difficulties*

Having looked at the loan payment history, I can see the last payment Mr G made was in February 2017. I can see Halifax got in touch with Mr G several times to discuss his account further but he advised on several occasions he would be getting paid soon.

As no payments were made to the account, a default notice was sent on 19 May 2017 which gave Mr G additional time to bring the account back into order. This letter also explained if he failed to bring his account up to date, further action would be taken. I don't think this was an unreasonable course of action at this point – as Mr G had been telling Halifax he'd make payments, but hadn't.

On 22 May 2017 Mr G spoke to Halifax and an income and expenditure review was carried out. In order to try and assist Mr G, Halifax offered a repayment plan, but Mr G declined this. He said he wasn't in financial difficulties and was up to date with other bills and creditors. He also said he would be getting paid soon and would be able to make future payments on his loan. Whilst Halifax were waiting to hear back from Mr G, they agreed not to make any outbound calls to him chasing the debt for 30 days while they awaited his proposals. Given the information they had from Mr G at this time, I think that was a reasonable action for Halifax to take.

As no further payments were received in the 30 days, a formal demand was issued in June 2017 and the account was subsequently passed to Halifax's recoveries department. I can see a further conversation took place around this time and Mr G explained he was waiting to receive funds.

Taking everything into account, I'm satisfied Halifax did try to assist Mr G with his loan on several occasions when he was in financial difficulties. And I think he was given the opportunity to correct his account before a default was applied. But as Mr G didn't make any payments for several months, despite being given opportunities to do so, I don't think Halifax acted unfairly in applying a default.

### *Passing the account to a debt collection agency*

Mr G is also unhappy that his loan account was passed to a debt collection agency. Having looked at the terms of his loan agreement, these do allow Halifax to transfer their rights to any person or business. And considering Mr G was not making payments to his loan, I do not think it was unreasonable of Halifax to pass the debt to a debt collection agency.

Whilst I understand Mr G wants the debt to stay with Halifax, for the reasons I've explained above I won't be asking Halifax to take the debt back.

### *Writing off the debt*

Mr G has asked for Halifax to write off the debt. But I don't think it would be fair for me to ask Halifax to do this. I say this because this is a debt that Mr G owes and has had the benefit of the funds. I would encourage Mr G to speak to the debt collection agency if he hasn't already done so to agree a way forward.

### **My final decision**

It follows 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 4 September 2020.

Marie Camenzuli  
**Ombudsman**