

The complaint

Mrs S complains that she is being chased by a third-party debt collector for an outstanding debt Bank of Scotland plc trading as Halifax wrongly sold to it.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts are not in dispute, so I'll focus on giving the reasons for my decision.

Halifax upheld Mrs S' complaint and offered £30 compensation. It says this reflects the trouble and upset caused by its advisor telling Mrs S her account was closed when it had in fact an outstanding balance.

Our Investigator also upheld the complaint, but recommended Halifax pay Mrs S £75 in total for the distress and inconvenience caused when Mrs S unexpectedly received a bill from a third-party debt collector. However, Mrs S is seeking an increased amount of compensation.

As an agreement couldn't be reached the matter has been passed to me for a 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.

Having done so, I broadly agree with the conclusion reached by our investigator for the following reasons:

- Where the evidence is incomplete or inconclusive (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in the light of the available evidence and the wider circumstances. I acknowledge Mrs S has said she called Halifax to close her account and was told she didn't have an outstanding balance. Halifax couldn't find a record of this call but as a gesture of goodwill offered £30 compensation for any misinformation Mrs S received about her account.
- Halifax sold Mrs S' debt to a third-party debt collector. I appreciate this would've come as a shock to Mrs S given that she didn't think she had an outstanding balance but what I must think about is whether Halifax did anything wrong in passing the outstanding debt to a third-party and I don't think it has.
- I say this because Halifax wrote to Mrs S in March and May 2021 to the address held by Halifax at the time. I accept that Mrs S says she didn't receive correspondence sent by the bank, but I'm satisfied the bank sent it. Mrs S' account was overdrawn and the bank asked Mrs S to rectify the account. As it didn't receive a response, the bank was entitled to pass the outstanding debt onto a third-party. I'm satisfied that the bank sent the appropriate notice to the address it had for Mrs S.
- Halifax sold the debt to a third party which it's entitled to do. I'd urge Mrs S to contact the third party to agree a repayment plan for the debt if she is experiencing financial

difficulty.

- Having said that, whilst the evidence around Mrs S updating her address is inconclusive I've considered Halifax has told us there was no record of Mrs S updating her address but gave the benefit of hindsight. Mrs S has also said being chased for a debt she was unaware of has caused her much stress and anxiety. I understand Halifax previously offered £30 compensation to put things right, but I think it should increase its offer to £75 for the distress and inconvenience caused by communication failures before transferring Mrs S' debt.

My final decision

My final decision is that I uphold Mrs S' complaint and direct Bank of Scotland plc trading as Halifax to pay £75 compensation to put things right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 20 March 2023.

Rajvinder Pnaiser
Ombudsman