

The complaint

Mr S complains about the way in which Sainsbury's Bank Plc has pursued him for repayment of a credit card debt.

What happened

Mr S has explained that he has been out of work for many years. He had to retire because of post-traumatic stress disorder and depression.

Mr S has a number of debts with a range of creditors, including a debt of some £9,000 on his Sainsbury's Bank credit card. He has told us that all his creditors have agreed to suspend payments or cancel their debts – with the exception of Sainsbury's Bank.

Unlike other creditors, Sainsbury's Bank has made many telephone calls and written to Mr S regularly, seeking proposals for repayment of the money he owes. It also passed his account to a debt collection agency, D, without telling him it was doing so.

When Mr S complained about the bank's actions, it agreed not to try to contact him by telephone and recalled the debt from D. It also offered Mr S £80 by way of compensation. Mr S did not accept the offer and referred the matter to this service.

One of our investigators considered what had happened. He agreed with Sainsbury's Bank that it was entitled to seek repayment proposals and to pass the account to a debt collection agency. He thought however that the bank's contacts with Mr S had been excessive and recommend that it increase its offer of compensation to £200 in total.

Sainsbury's Bank did not agree to the investigator's proposal. It said that, whilst it had made a number of attempts to contact Mr S between June and August 2021, they had not been successful. It did not believe therefore that it had acted unreasonably and asked that an ombudsman review the case.

I did that and, because I was likely to reach a different conclusion from that reached by the investigator, issued a provisional decision. I said, in summary:

- Creditors should not make excessive contacts with customers when seeking to recover outstanding debts.
- They should not try to make contact at unreasonable times of the day or night and should have due regard to requests not to call at certain times – for example, when a customer might be unable because of work commitments to take calls.
- Creditors can however take reasonable steps to recover money that is owing, and not all contact constitutes harassment.

I noted that there was no dispute about the debt itself and that Sainsbury's Bank had stopped trying to contact Mr S by telephone when he asked it not to call him. I accepted too that most of the bank's attempts to contact Mr S had been unsuccessful. Those attempts

had, I thought, been more frequent than Sainsbury's Bank had suggested, but I did not think the contact was excessive.

Overall, I did not believe that Sainsbury's Bank had treated Mr S unfairly. I was satisfied that its attempts to contact him had been motivated by a wish to discuss his financial situation and mental health issues with a view to reaching a mutually acceptable arrangement. I did not recommend that the bank increase its offer of settlement.

Mr S did not accept my provisional conclusions. I have therefore reviewed the case for a final time.

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.

Mr S has said that other creditors have agreed to concessions. They include one creditor to which Mr S owes twice what he owes Sainsbury's Bank. We would usually expect creditors to consider concessions such as payment plans, payment holidays or suspension of interest and charges where a borrower is having difficulty making payments. What is appropriate will depend on the circumstances in each case. I don't believe however that I can fairly say that Sainsbury's Bank has acted unfairly because it has not been as accommodating as other lenders. Its obligation to work with Mr S to find a satisfactory solution, if possible, is however an ongoing one.

Mr S says too that Sainsbury's Bank should not have allowed him to run up such a debt, by increasing his credit limit. That is not however the complaint that he made, and so I make no comment on it. It may be something he can raise with the bank (and, if he is unable to resolve things) with this service, but he will need to do so as a separate complaint. I am not persuaded however that the bank's attempts to recover the outstanding debt from him were unreasonable.

My final decision

For these reasons, my final decision is that I do not require Sainsbury's Bank to do anything further to resolve Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 6 December 2022.

Mike Ingram
Ombudsman