

The complaint

Mr D complains that Santander UK Plc asked a debt recovery company to collect his debt when he already had a payment plan in place with another debt recovery company.

What happened

Mr D holds an account with Santander. The account is in debt and in June 2023 Santander instructed a debt recovery company (Moorcroft) to collect it. Mr D entered into a payment plan with Moorcroft for £100 per month.

In January 2024 Mr D received a letter from another debt recovery company (Drydens) which he says demanded payment and threatened further action. The letter from Drydens enclosed a copy of a letter sent to Mr D by Santander as evidence that they would be the debt collection company who collected payments going forwards, which Mr D says he never received.

Mr D complained to Santander. He said he wanted the issue resolved and compensation for his efforts in trying to obtain confirmation that his payment agreement with the first debt recovery agency had ended, which he said neither Santander nor Drydens had provided.

In its final response, Santander said that whilst the outstanding balance remained with them, the option as to which debt collection agency it instructed was a business decision for them. It said that if it decided to use a different debt collection agency, it would let Mr D know in writing. Santander said that if a different debt collection agency was instructed, there would be no duplication of payments requested from Mr D.

Mr D remained unhappy and brought his complaint to this service.

Since the referral of his complaint to this service, Mr D has received confirmation from Santander that he is no longer obliged to make monthly payments to Moorcroft and that he can pay £100 per month to Drydens instead, which he says he is happy to do.

Our investigator didn't uphold the complaint. She said that Santander had sent Mr D a letter dated 18 January 2024 which explained that if he had a payment arrangement, this would stay in place and Drydens would monitor it. The investigator said she thought the letter contained sufficient information and said that whilst she appreciated that Mr D said he hadn't received the letter, it was correctly addressed to him. The investigator said that Santander could make a business decision on who to refer their debts to for collection, so she was unable to say that they had done anything wrong.

Mr D didn't agree. He said the letter sent by Santander stated that they had instructed Drydens and that if he had an agreement in place, Drydens would monitor it. He said the letter made no reference to his previous payment arrangement with Moorcroft being closed. Mr D said that when Drydens contacted him, they wanted him to set up a new payment agreement with themselves and were unaware of any agreement with Moorcroft. Mr D said he'd tried on numerous occasions to get confirmation from Santander that the agreement with Moorcroft was closed but hadn't received it. Mr D said he wanted compensation for the

time and stress caused by the lack of communication from Santander.

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.

I know it will disappoint Mr D but I agree with the investigators opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

I understand that Mr D was concerned to receive correspondence from Drydens when he already had a payment plan in place with Moorcroft. I can see that Santander sent a letter to Mr D dated 18 January 2024 which explained that the debt had been referred to Drydens. I appreciate that Mr D has said that he didn't receive this letter. However, having checked, I can see that the letter is correctly addressed, so I can't hold Santander responsible if Mr D didn't receive it.

In relation to the change of debt collection agency, Santander, as the owner of the debt, is entitled to make a business decision about which debt collection agency it refers the debt to. Santander is also entitled to make a business decision to change debt collection agency from time to time. So, I'm unable to say that Santander did something wrong when it referred the debt to Drydens.

Mr D says that the letter dated 18 January 2024 from Santander stated that Drydens would monitor any agreement in place. But he says that the letters he received from Drydens wanted him to set up a new payment arrangement with them. Mr D says he sought confirmation from Santander that the previous agreement he'd entered into with Moorcroft had closed, and that he wouldn't be expected to pay twice. He says he had no response from either Santander or Drydens in this respect.

I'm only able to consider Mr D's complaint about Santander here, so I can't comment on what Drydens did or didn't say. In relation to Santander, I think the letter dated 18 January 2024 clearly explained that if Mr D already had a payment plan it would remain in place. I appreciate that Mr D wanted confirmation of this from Santander and felt frustrated that he didn't receive a response. However, I can see that in the letters dated 18 January 2024, Santander provided contact details for Mr D to use if he had any queries about the letter, so I'm satisfied that Mr D could've contacted Santander by phone to discuss the letter if he'd wanted to. I can also see that in its final response, Santander confirmed to Mr D that he wouldn't be asked to pay twice..

I appreciate that Mr D says he has spent time trying to deal with this matter and has been caused stress by the lack of communication from Santander. However, on balance, I don't think Santander has made an error or treated Mr D unfairly here. So I won't be asking them to do anything further.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 17 October 2024.

Emma Davy
Ombudsman