

## **The complaint**

Mr C complains that Shawbrook Bank Limited (Shawbrook) have been unreasonable when not accepting his offer of repayment, when applying defaults to his accounts and when sending his accounts to a debt collection agency.

## **What happened**

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

I know it will disappoint Mr C, but I'm not upholding this complaint. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

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 don't think Shawbrook were unreasonable not to accept Mr C's offer to pay £5 a month towards his debt. They knew that Mr C was in financial difficulty as the initial loans had been the subject of an upheld irresponsible lending complaint that Mr C had referred to this Service, so I would expect them to be sympathetic and supportive of Mr C but as evidence suggested he was paying more towards other debts, with other lenders, with whom he owed less, it would seem reasonable for them to request a more significant portion of Mr C's disposable income was directed towards the debts he had with them.

While this Service agreed with Mr C that the loans were unaffordable for him and that the money shouldn't have been lent, the direction was for Shawbrook to refund interest and charges on the loans; the capital was still to be paid as Mr C had had the benefit of that money. I don't think the fact that Mr C is struggling to repay that capital is currently a reason not to collect it, although that will need to be through an affordable payment plan.

Guidelines provided by the Information Commissioners Office advise that defaults may be applied when consumers are at least three months behind with payments and no more than six months. Shawbrook defaulted the accounts later than this but I think there was a reason why it wouldn't have been wise for them to have done so earlier. Mr C had raised a complaint with this Service and I think it was sensible for Shawbrook to allow it to run its course so that they had a full understanding of the debt position before deciding on any collection activity.

Shawbrook accepted that they sent one of Mr C's accounts to a debt collection agency too early, and they paid him £100 to compensate him for that. But it seems it was inevitable that the accounts would be sold as the other account subsequently was. The terms of Mr C's loan agreements allowed Shawbrook to sell the debts to third parties. I don't think their actions have been unreasonable in that respect.

The loans that the debts arise from were in joint names and both parties are liable for them. I can't say that Shawbrook have, therefore, been unreasonable to pursue Mr C for the debt.

### **My final decision**

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 31 October 2024.

Phillip McMahon  
**Ombudsman**