

The complaint

Miss A complains that Santander UK Plc (Santander) won't write off her loan.

What happened

In July 2022, Miss A borrowed £10,000 on a loan from Santander. Repayments were £250.88 per month and the total payable, including interest, was £15,052.88

Miss A fell into arrears and in October 2023, the loan was defaulted and transferred to a debt collection agency (DCA).

On 21 October 2023, Santander sent a letter to Miss A which said the loan had been cancelled. Just after this, the bank sent another letter to Miss A to say that letter was sent in error.

Miss A complained. She said Santander should honour the letter sent on 21 October 2023 and write off the loan.

Santander said the letter sent was incorrect. The bank said:

- Miss A's loan was passed to a DCA in October 2023 and
- a letter was sent out by the bank following the first letter. In it, the bank apologised and said the letter should be disregarded.

Miss A brought her complaint to us. Our investigator didn't uphold it.

Miss A didn't agree and asked that an ombudsman look at her complaint, and so it has come to me.

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.

The key point in making a decision on this complaint is whether Miss A actually owes the money to Santander. And so - I looked at the evidence with that in mind.

Santander's records show she borrowed £10,000 in July 2022 and the payments were £250.88. Unfortunately, Miss A fell into arrears on the payments. I can also see she proposed a reduced payment plan for the loan of £25.28 per month.

Santander's records show the debt was then passed to a DCA in October 2023.

So for me, there's no question that Miss A owes the money to Santander – although the DCA are now managing the payments.

Santander made an error when they sent out the letter in October 2023 to say the loan was

cancelled. But the bank followed this with another letter which said that letter was sent in error and it confirmed the loan balance then outstanding.

So, based on my review of the evidence, Miss A does still owe the money and the loan is not to be written off. And as the loan is now being managed by a DCA, she should contact them to agree a schedule of repayments.

So, while I know that Miss A will be disappointed by my decision, Santander don't have to do anything here.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 18 January 2025.

Martin Lord
Ombudsman