

The complaint

Ms B complains about NRAM Limited's administration of a mortgage and unsecured loan which were settled in 2013. She's unhappy that NRAM sold the settled debt and her personal data to another lender which then asked her for payment, that it hasn't paid an interest refund from 2013, and she's unhappy with NRAM's response to her complaint.

Ms B's partner, Mr M, brings this complaint on her behalf.

What happened

Ms B had a 'Together' mortgage and unsecured loan with NRAM. In 2012 the mortgaged property was sold, but the proceeds of the sale weren't enough to repay both the mortgage and loan. There was a shortfall of just under £33,000.

In May 2013 NRAM accepted £11,500 to settle the shortfall debt. Ms B says part of this agreement was that neither her account nor her data would be sold on, and she made the payment on that basis.

In July 2022 Ms B was contacted by a different lender, Whistletree, in connection with her NRAM account. It asked her for payment of a debt of more than £30,000. Ms B made complaints to both NRAM and Whistletree.

NRAM said Ms B had left it too late to complain because the debt was settled in 2013. It later apologised for its initial complaint response and for having transferred Ms B's account to Whistletree, and offered Ms B £300 compensation.

Ms B didn't think that was enough, so she referred her complaint to us. Our Investigator said Ms B's complaint about the 2013 interest refund was time-barred and couldn't be investigated. She said NRAM's offer of compensation in respect of the other parts of the complaint was fair.

Ms B didn't accept that conclusion. She didn't accept that part of the complaint should be time-barred or that the offer of compensation went far enough. Through Mr M, she asked for an Ombudsman's review.

Ms B's complaint about Whistletree has been dealt with separately. I understand that Whistletree has confirmed to Ms B that it isn't seeking payment from her, the account is closed, and her credit file hasn't been affected by this matter. Whistletree has also offered some compensation separately.

This complaint about NRAM was referred to me. I issued a separate decision confirming the scope of my power to consider this complaint. I said that I can't consider Ms B's complaint about the 2013 interest refund, because she has complained about that too late, but I can consider her complaint about the sale of her account and personal information to Whistletree, and about NRAM's handling of her complaint. This decision sets out my conclusions about the merits of the parts of the complaint I can consider.

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.

There's no dispute that NRAM made mistakes – both in selling on Ms B's account and information and in its initial response to her complaint. NRAM has apologised and offered Ms B £300 by way of compensation. I've taken careful account of what Ms B, and Mr M on her behalf, has said about why this doesn't go far enough. Having done so, however, I consider that NRAM has done enough to put things right.

In 2013 NRAM accepted a payment of £11,500 to settle a shortfall debt of just under £33,000 following the sale of Ms B's property. Ms B says she was very clear with NRAM at the time that this was on the basis that her account wouldn't be sold on. She says NRAM has now breached that agreement, and so she has suffered a financial loss and should get a refund to reflect that breach.

I don't agree. I must weigh up all the available evidence and surrounding circumstances in making my decision. Having done that, I don't consider that a fair and reasonable outcome would be for me to require NRAM to repay all or part of the £11,500 to Ms B. NRAM wrote off more than £20,000 to enable Ms B to settle the debt in 2013. The Ombudsman who decided Ms B's complaint about Whistletree said:

"I'm in no doubt that Ms B was distressed to get a letter from [Whistletree] saying that she owed it more than £31,000. However, I can see that around a week after [Whistletree] sent the letter it made it clear that there was nothing for Ms B to pay and that the relevant account had been closed. So, while I'm in no doubt about the distress the initial letter caused, I can see that [Whistletree] rectified the matter promptly, as I would expect it to do. It's also clear that [Whistletree] aren't asking Ms B to pay it anything in relation to any other accounts."

So it appears to have been made clear to Ms B within around a week after she received the letter from Whistletree chasing payment of a debt she didn't owe that she didn't owe that money and wouldn't be expected to pay anything. I recognise that she was caused some distress and upset because of what happened, and I've noted what she has said about having been reminded of events leading up to the settlement of the debt at a time when she's dealing with current health issues. I've also noted that NRAM was wrong initially to time bar all of her complaint, and that it later apologised for that.

In all the circumstances, I consider that NRAM's apology and offer of compensation are a fair and reasonable way to put things right.

Finally, I consider that whatever arrangements NRAM and Whistletree agreed for the sale of Ms B's account are a matter between them. Any payments made under those arrangements don't represent a financial loss to Ms B and I make no award for them.

My final decision

My final decision is that I don't uphold this complaint – in the sense that I find NRAM Limited has made a fair offer of compensation. If Ms B accepts this decision, NRAM Limited should pay her £300.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 2 January 2025.

Janet Millington
Ombudsman