

complaint

Mr L complains that Ulster Bank Ltd refused to accept an offer of £21,000 in full and final settlement of a debt he has with them. He is also unhappy that they haven't provided him with the original loan agreement and he questions the validity of charges Ulster Bank Ltd have secured on his commercial and residential property.

background

The background to this case has been set out by the adjudicator in the view she sent to both Mr L and the bank. I summarise the main areas below:

In 2007 the bank wrote to Mr L asking him to repay his overdraft of over £19,000.

With the debt outstanding, the bank secured a charge on Mr L's commercial property but delayed taking action until February 2011. But there were other creditors and the charge on this property wasn't enough to secure the debt. So, later that year, the bank also obtained a charging order against Mr L's home. The debt at this point, including interest and costs, was £25015.21.

The house was put on the market four years ago but has not sold yet.

Between 2015 and 2017 Mr L made several offers to the bank to pay £21,000 in full and final settlement of his debt with them. They declined but eventually accepted in October 2017.

Mr L says that they should have accepted earlier.

Mr L says he has asked the bank on several occasions to provide him with a copy of his original loan agreement. He says this is important as, having had several loans with the bank, he is unsure if the loan in question was made to him as a limited company or as a sole trader.

The bank has secured charging orders against Mr L's commercial and residential property but Mr L says he's not sure if that's legal.

The bank says that they don't have to accept an offer of settlement. They say that as a court has approved the charging orders they must be legal and they say that they can't provide details of the original loan as; because this is an old loan, they no longer hold the loan agreement.

The adjudicator agreed with the bank and didn't think the bank needed to do anything else. But Mr L disagreed and asked for this review.

my findings

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 L but I agree with the adjudicator and I think the bank has done nothing wrong here.

I understand that Mr L is disappointed that the bank has not been able to show him copies of his original agreement. They don't have them anymore and neither does Mr L. But I note that the court has made a charging order against Mr L's property and have therefore been content that they could do so as the debts were in Mr L's name. It's the court decision that the bank may now seek to enforce and not the original agreement. If we had the original agreements they wouldn't help us much because the bank are now relying on the charging orders they obtained through the courts.

Mr L also says that the bank should have accepted his early offer of settlement but it's for the bank to decide when, and even if, they accept a reduced settlement of a debt. I therefore don't think they've done anything wrong by not accepting Mr L's proposals.

I agree with the adjudicator that the bank hasn't treated Mr L unfairly and I don't require the bank to take any further action.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 24 April 2017.

Phil McMahon
ombudsman