

## **complaint**

Mr T complains that Bank of Scotland Plc (trading as Halifax) treated him unfairly because it didn't take account of his mental health problems in the way it communicated with him about his debt. As a result, he says he's suffered a great deal of anxiety and hasn't been able to manage his accounts.

## **background**

Mr T had a credit card debt of around £2,900 with Halifax. In 2017 he was signed off work due to serious mental health issues and contacted Halifax about his situation. He told Halifax he couldn't discuss his issues by phone as he found this very stressful and it made his mental health worse. He asked Halifax to communicate with him by email as he'd moved out of his home into a mobile home because of his difficult situation. Halifax said it couldn't communicate by email because of security concerns and it continued to send Mr T letters to his old address. Mr T says he didn't hear from Halifax for some time and later received a letter about his debt from a debt recovery agency which had been redirected to a family member's address.

Mr T found it very upsetting that Halifax had passed his debt to a debt recovery agency. He complained that Halifax had discriminated against him because it had failed to make a reasonable adjustment in the way it communicated with him. Halifax rejected his complaint. It said it couldn't communicate with him by email for security reasons. So Mr T came to this service. Our adjudicator didn't think the complaint should succeed so Mr T asked for review by an ombudsman. I issued a Provisional Decision dated 18 July 2019 indicating that I thought the complaint should be upheld.

## **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've also taken account of the submissions from Mr T and comments from Halifax in response to my Provisional Decision though my conclusions haven't changed.

Mr T contacted Halifax about his mental health problems and financial difficulties as soon as he realised he was going to have difficulties managing his debt. Halifax says he was passed on to a specialist team dedicated to helping vulnerable consumers. But I can't see that any effort was made to help Mr T communicate effectively with the business.

Halifax sent letters because Mr T told it he found it stressful to deal with his finances over the phone. But sending letters to an address which Halifax knew Mr T was no longer living at didn't offer any practical solution. I've asked Halifax to explain what steps it could've taken to provide a reasonable adjustment to help Mr T access its services given his mental health problems. But it hasn't given any indication that it really considered this problem or offered any possible alternatives.

People suffering from mental health issues often find it difficult to discuss their finances over the phone. And it's not uncommon for people with mental health issues and financial difficulties to find themselves without a permanent address. While Halifax may not be able to communicate by email because of security concerns, I would expect a business of this size with a specialist team to be able to discuss other options for communicating with a vulnerable consumer in these circumstances. Based on what I've seen, I don't think Halifax did enough to help Mr T communicate with it about his debt.

I understand Mr T's very upset that his debt's been passed to a debt recovery agency and he feels that, if he'd been able to communicate with Halifax this wouldn't have happened. It's clear that part of the distress Mr T's suffered is due to Halifax's failure to communicate effectively with him. But I don't think the move to the debt recovery agency has disadvantaged Mr T as it's part of the same business and Mr T won't incur any additional costs. So I propose to order redress for the distress and inconvenience caused by the failure to communicate properly. But I don't think Halifax should take the debt back from the debt recovery agency in the circumstances.

It's difficult to put an exact figure on compensation for the distress caused to Mr T by Halifax's failure to take account of his mental health issues in its communication. But Mr T clearly informed Halifax about his issues and was very worried about the lack of communication over several months. Discovering the debt had been passed to a debt recovery agency clearly made Mr T even more anxious. Given his extremely difficult situation, I can see this caused a substantial amount of distress over an extended period of time.

In reaching a decision about compensation, I must take account of all the circumstances of the case and, in particular, the impact on the person bringing the complaint. In Mr T's case, this means taking account of his vulnerability and mental health issues. In response to my Provisional Decision, he's provided further submissions on how he felt about the issues he had with Halifax and how it's affected him. Our published guidance on compensation for non-financial loss (<https://www.financial-ombudsman.org.uk/consumers/expect/compensation-non-financial-loss>) says that where substantial distress and inconvenience has been caused to a consumer, the award should be between £500 and £2000. Therefore, bearing in mind Mr T's mental health problems, the added anxiety and the length of time that the problem went on for, I find that compensation of £650 is appropriate in this case.

### **my final decision**

For the reasons given above, it's my final decision that this complaint is upheld. Bank of Scotland Plc should pay Mr T £650 as compensation for the distress its communication failures caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 5 October 2019.

Susie Alegre  
**ombudsman**