

## **complaint**

Ms H complains about how Bank of Scotland plc (trading as Halifax) dealt with her overdraft debt.

## **background**

Ms H had an overdraft but started to have financial difficulties in 2014 due to ill health. She says she contacted the bank to say she was unable to work. She didn't feel able to commit to a repayment plan but said she would make payments when she could. She says she did this in December 2014 and February, March and April 2015 but the bank closed her account and sent it for debt collection. She didn't think this was fair. She felt the bank hadn't listened to her. She says she'd made many calls and had to make visits to the branch which was stressful for her.

The bank said Ms H called in December 2014 to say that due to ill health she wouldn't be able to work for some time. Although Ms H had made payments there wasn't a repayment plan so it said it sent the debt for collection and put a default on Ms H's credit file. Following a complaint from Ms H the bank agreed that it could've helped more. It took the debt back from its collection agents, cleared the balance on the account and the default on her credit file. It sent her £100 for distress and inconvenience.

The adjudicator felt the bank had been fair, because it had paid Ms H compensation and written off the debt.

Ms H didn't agree. She said she'd asked the bank to stop applying charges as she was out of work. But she said it still added over £300 in charges. She felt the amount written off was no more than charges it shouldn't have made in the first place. She didn't think the bank had listened to her and it was only when she visited in person that it paid attention. Visits to the branch were difficult for her and upsetting especially when it said it wouldn't remove the charges that had been added. She felt it should pay her £5,000 in compensation.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. While I am sorry to disappoint Ms H I agree with the adjudicator for much the same reasons.

I can see that Ms H was proactive in making various payments when she could. These were of relatively small amounts, typically £10 or £20, in early 2015. I think these show she intended to repay the debt over time. Given this positive attitude I can understand that she would've been disappointed when the debt was sent for collection and a default put on her credit file.

As the bank has admitted an error I need to consider whether Ms H suffered any financial loss, distress and inconvenience. She wants the bank to pay £5,000 to reflect her loss and the impact on her.

Ms H says she had to pay for calls to the bank and had costs in visiting the branch. She says she uses a pay as you go phone so can't provide evidence of the cost. But she says this went on for six months, some calls lasted over an hour and the total cost was over a thousand pounds. But without any evidence of the amount spent on topping up the phone it

is difficult to evaluate this. And the records I've seen from the bank don't reflect a lot of lengthy calls. I think it is unlikely that the costs were at the level Ms H says, but she must've incurred some costs.

Ms H says the debt written off is mostly made up of bank charges added when she was not working and after she had asked for them to be stopped. The bank notes show that it wasn't until December 2014 that Ms H called to say she was not well and unable to work. Her bank statements show that from that date all bank charges were stopped and none were applied afterwards. So I don't think the bank did continue to make charges after she told it she was unable to work.

I think Ms H was already under stress due to her ill health and inability to work. So I need to consider how much more stress the bank created by its actions and its impact on her. But it's not the role of this service to punish the bank.

I think that Ms H has suffered financial loss in calls and travel costs and must've been stressed and inconvenienced. I think the level of distress and inconvenience created by the bank was moderate. The bank has written off more than £270 that was validly due it and paid £100. Taken together I think this is fair and reasonable in all the circumstances.

**my final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 25 January 2016.

Colette Bewley  
**ombudsman**