

complaint

Mrs C is unhappy that Bank of Scotland plc registered a default on her credit file as she says her ex-husband (Mr C) is responsible for the former joint account debt. She also complains that Bank of Scotland sent the default letters to her old address so she didn't become aware of the debt straight away. She wants the default removed from her credit file. She wants compensation for the way the bank has dealt with this matter.

background

Mrs C's complaint relates to a debt on her old current account. When she split up from her husband in 2004, she says he agreed to be responsible for their current account debt. She was responsible for the credit card debt. In 2005 Mrs C moved to a new address and says she wrote to the bank confirming the arrangement she had reached regarding the current account debt. She told them her new address.

Her current account was with Bank of Scotland plc (trading as Intelligent Finance) and her credit card with Bank of Scotland plc (trading as Halifax), which are both part of the Bank of Scotland group.

Mrs C repaid her credit card debt. In February 2013 a debt collection agency wrote to her saying she owed just under £1,500. This was the debt on the current account. She was unable to get a loan due to the default registered against her.

The bank said she had not been removed from the account and it had no record of receiving a request to remove her. It also said there were discussions with her in 2006 and 2007 but Mrs C refused to accept the debt. She also refused to give it her new address. It does not accept it did anything wrong by sending letters to the address it had on file for her.

The adjudicator did not uphold the complaint. He found that the debt involved a joint current account and Mrs C and Mr C were jointly and severally liable (meaning it could ask either her or Mr C, or both of them, to repay the debt). Mr C had no liability for Mrs C's credit card as this was in her name. The adjudicator could not be certain that the bank received letters from Mrs C requesting that she be removed from the account and in any event found the bank would not have removed her, because the account was overdrawn. The adjudicator was satisfied Mrs C was liable for the debt.

The adjudicator found that Mrs C did not inform the bank of her current address, as she did not believe she was liable for the debt on the current account. He found that even if the notice had been sent to her correct address this would have made no difference and a default would still have been registered as she did not accept the debt was her responsibility.

The adjudicator further explained that this service could not deal with the issue of the debt being statute barred (or her argument that the default was therefore not properly registered). This was something only a court could decide.

Mrs C responded in summary that she is unhappy that the service cannot deal with all the issues and that the adjudicator did not deal with all her complaints which were also about the bank's failure to deal with correspondence and that she wants compensation for this.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I have considered all Mrs C's points. I will decide the issues I consider to be central to this dispute.

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – that is, what I consider is most likely to have happened in light of the available evidence and the wider surrounding circumstances.

the joint account debt

Despite her agreement with **Mr C**, I am satisfied on balance, that Mrs C was jointly and severally liable for the overdraft on the current account. So the bank was entitled to ask her to repay the borrowing and to register a default against her credit file.

There is no documentary evidence that Mrs C told the bank Mr C would be responsible for the debt and no letters from the bank agreeing to this. On balance, while accepting Mrs C believed Mr C would be responsible for the debt, I do not accept that the bank agreed to this arrangement. I agree with the adjudicator that a bank is unlikely to agree to release one party from payment of the debt as this will reduce the chance of it being repaid. Mrs C therefore remained jointly and severally liable for the debt. I find that the bank did not act unreasonably by registering adverse information about this debt on Mrs C's credit file.

the address details

I find that on balance the bank was not notified of Mrs C's change of address until June 2013. Mrs C informed the bank of her new address for her credit card. However I accept that although Intelligent Finance and Halifax are both part of the bank they have separate systems and procedures. I accept that the information was not shared and Mrs C should have informed the bank of her new address. I further find from the documentary evidence provided by the bank that Mrs C did not provide details of her new address when asked by the bank in 2006 and 2007. I do not find the bank was wrong to send correspondence to her last known address. Accordingly I do not find that the bank should pay Mrs C compensation for sending letters to her old address or for the way it has dealt with this matter.

the validity of the debt

Mrs C says the debt is statute barred and, as such, the default was not registered correctly. These are issues that need to be determined by a court and I have therefore made no findings on these issues.

my final decision

My decision is that I do not uphold this complaint.

Clare Hockney
ombudsman