

complaint

Mr M complains about Bank of Scotland Plc. There are a number of aspects to his complaint but in essence, Mr M complains that:

- Bank of Scotland acted irresponsibly when it granted him a personal loan in 2008;
- Bank of Scotland did not help him when he told the bank he was suffering from financial difficulties in January 2015;
- The debts owing from his former current account, former Card Cash account and the personal loan are dealt with separately whereas he would prefer to make one payment to the bank for all the debts he owes; and
- After he informed the bank about a debit card dispute, Bank of Scotland first credited his account but then took money back out of his account following a chargeback attempt.

background

In his most recent view, our adjudicator upheld Mr M's complaint in part.

He did not think that Bank of Scotland had acted irresponsibly by granting Mr M the loan in 2008. He also did not think the bank had made an error in relation to the chargeback.

However, he did think that Bank of Scotland had failed to treat Mr M fairly when he asked for help when he was suffering from financial difficulties. Our adjudicator thought Bank of Scotland should refund some of the interest and charges on Mr M's accounts and the bank agreed to do this. Although our adjudicator accepted that the three debts owed by Mr M were separate debts owed to different entities within the same banking group, he thought that Bank of Scotland should agree suitable and affordable repayment plans with Mr M for each debt.

Mr M did not agree with our adjudicator's view in relation to the granting of the loan or the chargeback, so the complaint has been passed to me for final decision.

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 every sympathy for Mr M – I can see that he has been through a very difficult and challenging time. However, having considered everything, I have come to the same conclusions as our adjudicator and for the same reasons. Our adjudicator has set out his conclusions in detail in correspondence with Mr M and the bank so I do not intend to repeat the details here but I have summarised my findings below.

financial difficulties

Mr M says that Bank of Scotland should have done more to help him when he was in financial difficulties and Bank of Scotland has now agreed to refund some of the interest and charges on Mr M's accounts. I think this is a fair and reasonable way to settle this part of Mr M's complaint which I shall be upholding.

affordability of loan

Mr M also complains that Bank of Scotland acted irresponsibly when it granted him a personal loan in 2008. I will not be upholding this part of his complaint. I know this will be disappointing for Mr M, but I do not think it would be fair to decide otherwise. My reasons are set out below.

Mr M has told us that when he applied for the loan his income was calculated by adding together his housing benefit, income support, carer allowance and his son's disability living allowance. He has admitted to our adjudicator that he may not have been entirely honest about his expenditure in his loan application. Unfortunately, as this was an internet application there was no breakdown of expenditure to indicate how the amount given on the application had been calculated. The bank also says that Mr M passed the credit scoring process. Given all of this, it is difficult for me to conclude that Bank of Scotland was irresponsible in lending the money to Mr M so I will not be upholding this part of the complaint.

debts owing from different accounts

Next I will deal with the debts owing from Mr M's former current account, former Card Cash account and personal loan which were passed for collection. I understand these are still being administered by Bank of Scotland and have not been transferred to a third party. Mr M says he'd prefer to make one payment to the bank for all of the debts he owes. The personal loan was arranged with the Bank of Scotland whereas the current account and Card Cash account were provided by Halifax. Even though these are part of the same group of companies, I am willing to accept that it may not be possible to amalgamate debts from different legal entities within that group. So I will not be asking the bank to accept one payment for all three debts. However, I remind Bank of Scotland of its duty to treat Mr M positively and sympathetically in relation to the debts owed as I understand he is still suffering from financial difficulties.

chargeback

Mr M complains that after he informed the bank about a debit card dispute, Bank of Scotland credited his account but then took the money back out of his account following a chargeback attempt. There is no legal right to a chargeback but it appears that Bank of Scotland behaved reasonably in attempting the chargeback. However, it seems that the chargeback was challenged by the bank of the business Mr M had the dispute with so Bank of Scotland took the money back from Mr M's account. I have seen no evidence that the bank was wrong to do this. It seems to me that the bank considered there to be a civil dispute between Mr M and the car dealer from whom he'd bought a car. It was therefore a matter between Mr M and the car dealer to sort out. It follows that I will not be upholding this part of Mr M's complaint.

For the reasons set out above, I uphold Mr M's complaint in part.

my final decision

My final decision is that Bank of Scotland Plc should:

- Reduce the balance outstanding of the debt for account ending 1262 by £326 (if not done already).
- Reduce the balance outstanding of the debt for account ending 5171 by £251.86 (if not done already).
- Amend Mr M's credit file to show the above.

- Agree suitable and affordable repayment plans with Mr M for each debt after completion by him of a common financial statement in order to assess his ability to make repayments.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr M to accept or reject my decision before 15 February 2016.

Jagdeep Tiwana
ombudsman