

## **complaint**

Mr N complains that Bank of Ireland (UK) Plc (BOI) is requesting monthly debt repayments that he cannot afford and is threatening to default his account. He also complains that the bank wrongly applied fees to his account.

## **background**

Mr N's current account has been overdrawn since late 2008. In December 2008 BOI stopped applying interest to his debt, and since 2009 he and the bank have entered into a series of payment agreements, ranging between £10 and £150 per month. In late 2012 payments were raised from £50 to £150 per month. Mr N was unable to keep up the payments, and the bank said it would default the account and refer it to its legal representatives. Mr N complained to the bank that it should not pursue repayments at the current level because of his financial difficulties.

In 2008 a number of unpaid direct debit fees were applied to Mr N's account because there was not enough money in the account to meet the payments. To prevent further charges, the bank cancelled all direct debits. Mr N asked for the fees to be refunded but the bank declined to do this.

Mr N was not satisfied by the bank's response and referred both aspects of his complaint to this service. Our adjudicator did not recommend that the complaint should be upheld. Briefly, he said:

- It appears that the fees were applied to Mr N's account in line with the account terms and conditions.
- Mr N's debt has been outstanding for a considerable time, with little reduction in the balance. Currently, it does not appear that Mr N can afford to make any payment towards the debt.
- The bank has shown considerable forbearance as it has accepted payment arrangements on numerous occasions, which Mr N has not adhered to. BOI also stopped charging interest in 2008.
- In doing this, the bank has acted fairly and sympathetically.

Mr N did not agree with the adjudicator's conclusions. He said, in summary:

- He wants to repay the debt. What is in question is the amount he can currently pay.
- It is the fault of the banks that the economy went down and he cannot get work. The bank should do more to help him.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Mr N has undoubtedly suffered financial hardship. The main question I must answer is whether BOI has responded sympathetically and positively towards his difficulties, which it is obliged to do by the Lending Code.

When Mr N told the bank of his difficulties, it stopped charging interest on the debt and cancelled his standing orders to save him from further account charges. The bank says that it has never received a completed income and expenditure form from Mr N, despite repeated requests. BOI agreed to a number of repayment plans and it persisted with these over four years, even though Mr N has not kept to them. Taking all this into account, I believe the bank has acted positively and sympathetically.

The second part of Mr N's complaint is that BOI unfairly refused to refund the fees for unpaid direct debit items in 2008. But I am satisfied that the bank charged the fees in accordance with the account terms and conditions. There is no obligation on a bank to refund fees that were legitimately charged, even when a customer enters financial difficulties.

I agree with the adjudicator that the bank has shown considerable forbearance. But Mr N has a debt and the bank is entitled to expect that it will be repaid. There has been little or no repayment recently, and in these circumstances, I do not think it is unreasonable for the bank to default the account.

I realise that Mr N will be disappointed by my decision, but I do not find that BOI has acted unfairly or unreasonably.

#### **my final decision**

My final decision is that I do not uphold this complaint.

Colin Brown  
**ombudsman**