

complaint

Mr C complained because he believed Bank of Scotland plc (BoS), misled him about whether or not the organisation chasing his debt were solicitors.

background

Mr C had a credit card with BoS, which defaulted in 2009. He received letters about the debt, which were headed with a different name from BoS, and which said it had been asked to administer Mr C's account.

In spring 2015, Mr C complained to BoS, asking about the relationship between BoS and the name which had written to him about the debt. BoS explained that they were a subsidiary of BoS, and effectively an internal debt collection agency. BoS offered Mr C £50 compensation for the confusion, which Mr C declined, saying it wasn't enough. BoS increased its offer to £100.

In October 2015, Mr C contacted this service. He said that, from recently reading the press, he felt he had been misled and cheated by BoS. The letters after the default had come not from solicitors, but just a debt collection department within BoS. Mr C said the people he'd spoken to had been more aggressive than when he'd spoken to BoS. He wanted compensation for the stress and anxiety.

The adjudicator explained that the role of this service is to put consumers in the position they were in before any business error. She said it's not our role to punish or fine a business, which is the role of the industry regulator, the Financial Conduct Authority. She considered that BoS's offer of £100 compensation was fair and reasonable.

Mr C didn't accept this. He said that if he'd wanted to accept the offer from BoS he could have done that before. He said that the time he'd spent communicating with BoS far exceeded the £100 offer. He said that he should be compensated for the time it had taken him to progress his complaint, and every email and correspondence was his time which had a value.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr C didn't think the compensation offered by BoS was enough. He didn't lose out financially as a result of the name on the letters, but this service can also consider the emotional or practical aspect of what happens. Our rules say we can award fair compensation that's a proportionate reflection of the impact a business's actions had on its customer. Compensation isn't intended to fine or punish a business – as the adjudicator explained to Mr C, that's the job of the regulator, the Financial Conduct Authority. For us to award compensation, we need to decide that the impact of a business's actions has been bigger than just a minor inconvenience or upset.

In Mr C's case, I don't consider that the name on the letters he received caused more than minor inconvenience or upset. I understand that he found his situation difficult and stressful, because he's told us that he was in financial difficulties, and that he had several debts to try to get back on track. But I don't consider that the exact name heading BoS's letters

significantly increased this stress. Mr C has told us that, after the default, the people he was dealing with were more aggressive. I consider this is likely to be as a result of the stage the debt had reached – it had defaulted. It wasn't the result of the name heading the letters, and whether the people he was dealing with were debt collectors or solicitors. So I consider that BoS's offer of £100 compensation is fair and reasonable, and would also recognise the time he took to complain to them.

my final decision

My final decision is that I do not uphold this complaint. It's up to Mr C whether or not he wishes to accept Bank of Scotland plc's offer of £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 7 January 2016.

Belinda Knight
ombudsman