

complaint

Mr K complains about what The Co-operative Bank Plc ("Co-op") did after he notified it of his ill health.

background

Mr K has a credit card account with Co-op. He told us that he'd notified Co-op about his ill health, which meant he wasn't able to work. He said that Co-op then had told him that a specialist team would deal with his card, and that he should seek help with his finances. He got a third party charity to help him. But he said that Co-op didn't get in touch with the charity, so a payment agreement on the account was just allowed to lapse. Then Co-op passed his account to a debt collection agency, that didn't know anything about his illness.

Mr K said that Co-op had now apologised. It said that this was human error, and it had transferred the account back. But he said that it had provided appalling customer service. He'd had this card since 2000, always paid, and when he needed Co-op to help, it had let him down. He said that things had been difficult enough managing with ill health, without this on top.

Co-op said it had sent Mr K an apology, from the head of its financial support team. Co-op said that in the light of his ill health, it should've removed his account from the normal arrears process. It had transferred the account back, and it had taken the decision to write off the balance, which was just under £8,000. It won't be asking Mr K to pay that back.

Co-op said that it knew Mr K thought it should've acted more quickly to engage with the charity which was supporting him. Co-op said that it had replied to that charity the day that it got a letter authorising it to act. It didn't know why this letter from the charity had taken so long to get to it.

Co-op said that dealing with the charity was a little more difficult, because it hadn't given a contact phone number. It also said that it was sorry Mr K had also been upset that he was still getting correspondence from Co-op. But Co-op said that the letters it had sent Mr K were things he did need to be aware of. It wanted to make sure he was informed about his account.

Our adjudicator upheld this complaint. He said that he agreed that mistakes had been made. The debt had now been written off, but he thought that Co-op should pay £100 for the distress and inconvenience that Mr K had been caused. He thought that was a fair and reasonable way to settle this complaint.

Mr K didn't accept that. He thought that £100 was a very low offer. He had been dealing with a life threatening condition, and he said that he'd been let down by Co-op when he needed it most. He said that the bank clearing the card was a separate issue. And he repeated that he was on medication for depression and stress.

Our adjudicator didn't think that Co-op had to do more than write off Mr K's debt and pay £100, so he told Mr K he would pass the case to me for a final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I've reached the same conclusion as our adjudicator, and for broadly the same reasons.

Co-op has accepted that it made some mistakes in this case. It shouldn't have passed this case to an external debt collection agency. And it looks as if its communications with Mr K and with the charity helping him could've been better.

But I don't think that all of the things that may have upset Mr K were actually mistakes by Co-op. He said that he found it very stressful that Co-op continued to get in touch with him, after he'd asked a charity to help him with his debts. Co-op has said that it sent him important information about his account. If Co-op doesn't send those things to Mr K, then it can't be sure he's being kept informed about what is going on with his account. I don't think that Co-op made a mistake when it sent him this correspondence.

Co-op has apologised for the mistakes it made. It has brought Mr K's debt back in house, and it has now written this off. That means that Mr K will not be asked to repay almost £8,000 of debt. I know that Mr K thinks that clearing his debt is a different issue, but I don't agree with that. I think that's part of how Co-op has responded to what Mr K told it about his ill health. And if I take account of the things Co-op has done, after it got that information, which have gone wrong, I should also take account of the things it has done which have gone right too. It wouldn't be fair to Co-op if I didn't do that.

Co-op has also offered to pay £100 in compensation for the stress that Mr K was caused. Like our adjudicator, I think that writing off a debt of almost £8,000 and paying £100 in compensation provides a fair resolution to this complaint. I don't think that Co-op has to do more than that.

my final decision

My final decision is that The Co-operative Bank Plc must pay Mr K £100 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 31 January 2019.

Esther Absalom-Gough
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