

complaint

Mrs H complains that Santander UK Plc (trading as Cahoot) wrongly chased her for a debt and delayed in contacting her about it.

background

In April 2010, Mrs H cleared her outstanding balance with Cahoot. In November 2010 a £50 purchase was made from the account. Cahoot did not contact Mrs H about that debt until 2016, however, it added interest and charges in accordance with the terms and conditions of the account, which by June 2016 amounted to £146.03.

Mrs H complains that the debt was not hers and she was subjected to long waits on hold and poor service when trying to resolve the matter. Mrs H says the disputed debt affected her credit limit and should have been resolved much sooner but Cahoot did not deal with the complaint within eight weeks as it should have.

Cahoot agreed in its final response letter that it had not contacted Mrs H for over five years about the debt and offered to waive all charges and interest but not the original transaction.

When Mrs H complained to this service, the adjudicator recommended Cahoot should write off the £50 balance as a good will gesture in addition to waiving all interest and charges. He agreed that Cahoot had not responded to Mrs H's complaint within the eight weeks expected but this was because it was still investigating her complaint. He said it had sent her a letter to explain this within the eight week limit. Cahoot agreed to the adjudicator's recommendation and also to remove all adverse information from her credit file.

Mrs H did not agree. She said she should also receive compensation and the adjudicator had not made allowance for the level of upset caused by this situation and the delays when trying to resolve it.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my conclusion on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the surrounding circumstances.

I appreciate Mrs H is adamant that she did not make the £50 payment and has provided evidence of her transactions with the third party company to whom the payment was made. I cannot say that this payment would have appeared on that history and am not satisfied this shows Mrs H did not make the payment. I consider it most likely that she did make this payment, but due to the passage of time has forgotten.

Cahoot agrees it made a mistake when it delayed chasing Mrs H for that debt and has now agreed to clear the outstanding balance and waive all interest and charges.

I appreciate Mrs H's strength of feeling, but for the reasons I have explained, I am satisfied it is most likely that this was originally her transaction and she has had the benefit of the money. Although Cahoot made a mistake when it did not contact her about the debt, this

service expects customers to keep track of their financial outgoings and Mrs H should have been aware that she had this outstanding balance.

This service is not the bank's regulator and does not have the power to punish Cahoot. I appreciate Mrs H wishes to receive compensation, but I am satisfied that by clearing all outstanding debts (including the £50 transaction she made) and removing all related entries from her credit file, Mrs H is in the position she would have been in, had the delay in chasing her for the debt not happened. Whilst I agree that Mrs H was put to inconvenience when trying to resolve the situation, I am not satisfied any of the delays were so unreasonable that I should order the bank to pay any additional compensation.

my final decision

My final decision is that Santander UK Plc (trading as Cahoot) should clear the outstanding balance, including all interest and charges and remove any adverse entries about this transaction from her credit file (as it has agreed to do).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 20 January 2017.

Charlotte Holland
ombudsman