

## **complaint**

Mrs H complains that Canada Square Operations Limited went back on a deal it made with her. She says it agreed to accept £2,000 in full and final settlement of her debt. But it then sold on the debt – most likely as a result of an administrative mistake on its part.

Mrs H's relative who I'll call "Mr H" represents her in her complaint.

## **background**

I set out the background to this complaint in the provisional decision. In it I explained why I did not think Canada Square had made a mistake. On this basis I considered I could not fairly uphold the complaint.

I said I'd like to hear from Mrs H and Canada Square again before I issued a further decision.

Canada Square told us it had received the provisional decision. But it said nothing else.

Mr H, on behalf of Mrs H rejected it. He reiterated the points he'd made earlier and expanded on them. Further he provided responses to some of the points I'd set out in the provisional decision.

## **my findings**

I thank Mr H for his response to the provisional decision. I have re-considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

### *why I chose not to speak to Mr H about this complaint*

I am very sorry to learn that Mr H has been unwell. I send him my good wishes and hope he has a speedy recovery. I realise Mr H wanted to speak to me about this complaint. We're an informal alternative to the courts and generally we rely on the information that is sent in or that we request or investigate to come to a decision. I looked at the information I had. I considered that I had enough to reach a decision. So I concluded I did not need to speak to Mr H although I realised Mr H would've been happy to discuss his response to the provisional decision with me. However, I meant no disrespect to Mr H in taking this approach.

### *Mrs H says Canada Square accepted £2,000 in full and final settlement it says it didn't*

Both Mrs H and Canada Square say that it originally agreed to accept £6,000 from her in full and final settlement. Then the versions of events diverge.

Mr H tells us Mrs H was struggling and therefore she just could not pay the £6,000 for perfectly valid reasons. On this basis he says further discussions took place. He says the upshot of these was Canada Square changed its position. And it accepted the £2,000 to pay off the debt in full. Canada Square says that's just not the case. It insists it always asked for £6,000. It says Mrs H only ever paid it £2,000 so it's entitled to take steps to recover the rest or sell on the debt.

Clearly there's a disagreement here. Where there is a dispute about what happened, I have based my decision on what I consider is most likely to have happened in the light of the evidence.

*I think Canada Square's version of events is the most likely to have happened*

Mr H appears to place great weight on how other lenders behaved. He also seems to think it's relevant that Canada Square appeared to accept a revised payment for another debt ("debt 2") Mrs H owed it.

But I do not see things in the way Mr H appears to. I'm not satisfied that just because other lenders accepted less Canada Square followed suit. Neither do I think on balance that Canada Square having accepted a lesser amount on debt 2 would automatically or most likely have done the same with this debt. I think it's significant that there is written information to show that Canada Square accepted a reduced amount for debt 2. But there's no such information for this debt.

If I were to accept Mr H's suggestions I'd have to accept:

- Canada Square agreed to write off £4,000.
- It did this having already reduced the original debt from around £9,000 to £6,000.
- Canada Square chose not to document this agreement or lost the records.
- It did not send out a letter confirming this to Mrs H or if it did it has now lost this letter.

The difficulty is that I do not find that sequence of events very likely.

Mr H also tells us that Canada Square did not pursue Mrs H for the debt for a considerable period of time. I think he's suggesting I should infer from this that it had initially agreed to accept the £2,000 in full and final settlement. And then without telling her unfairly changed its mind. But there could be any number of reasons why Canada Square took its time about chasing her for the debt. Our experience with it on this case does not suggest to me that Canada Square habitually acts quickly.

For all these reasons based on the information I've got I'm not as sure as I need to be that Canada Square accepted £2,000 in full and final settlement of a debt it had already reduced to £6,000. It follows I'm of the opinion it's entitled to take actions to recover the money from Mrs H or sell on the debt.

### **my final decision**

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs H to accept or reject my decision before 22 July 2015.

Joyce Gordon  
**ombudsman**