

complaint

Mr B complains about the way Bank of Scotland plc (trading as Halifax) pursued him for the shortfall debt after his property was sold. He asks that Halifax deals with him directly instead of through debt collection agencies and puts in place a payment plan with proper accounting. Mr B is represented by a family member in bringing this complaint.

background

Mr B had a joint mortgage with Halifax. His property was taken into possession and sold. The sale proceeds weren't enough to repay the mortgage and there was a shortfall debt.

Mr B says Bank of Scotland has since passed the debt to a number of debt collection businesses. He didn't get a response to a letter he sent in 2015. He's recently been contacted by another debt collection agency claiming to be acting for Halifax. Mr B says he doesn't know who he should be dealing with.

Our investigator said lenders are entitled to use debt collection agencies, and can use more than one over a period of time. He said both Halifax and the debt collection agency had written to Mr B about the debt, so he did know who to contact. Our investigator said Halifax had responded to Mr B's letter in 2015.

Mr B didn't agree. His representative made detailed comments on his behalf. He asked that we take into account the history of the mortgage account, how the shortfall debt came about and the reasons why it hasn't been repaid.

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 B's representative has described the circumstances that led to this complaint, and how it has affected Mr B. Mr B's family has difficult and upsetting issues to deal with. I'm sorry for the circumstances the representative has described.

Here though I must consider the complaint that was raised with Halifax in October 2018 and whether Halifax has acted fairly. The complaint raised by Mr B was, in summary:

- Mr B didn't receive a response to a letter dated 15 October 2015.
- Mr B received letters in 2018 from a debt collection agency about the debt. This was the latest of several lenders and debt collection agencies that had contacted him, leaving him with no idea who to contact. He was concerned about a letter provided by the debt collection agency which didn't look authentic.

Halifax says it did respond to Mr B's letter in 2015 and provided a copy with its final response letter. I'm sorry Mr B didn't receive Halifax's letter in 2015, but I don't think I can reasonably find that this was due to an error by Halifax.

Halifax is entitled to appoint a debt collection agency to help it to recover debts. It can change which debt collection agency it uses. A debt collection agency wrote to Mr B in 2018 saying it was responsible for collecting the debt. Halifax also wrote to Mr B to say the debt

had been passed to the debt collection agency. And Halifax confirmed this in its final response letter. I think Halifax did enough to make it clear who Mr B should contact about the debt.

I can't reasonably require Halifax to manage Mr B's account itself. It's entitled to use the services of debt collection businesses.

Mr B says he wants to agree a payment plan. If so, I'd urge Mr B to contact the debt collection agency and provide the information it reasonably requests with the aim of agreeing this. I'd remind Halifax of its duty to treat Mr B fairly.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 6 May 2021.

Ruth Stevenson
ombudsman