

## **complaint**

Mr B complains that CitiFinancial Europe Plc incorrectly sold a debt in his name to a third party lender which has caused him significant distress and inconvenience. He wants the bank to pay appropriate compensation.

## **background**

In 1998 Mr B's credit card was stolen and fraudulent transactions were made on the account. The account balance was transferred to a new card and the fraudulent transactions were refunded. Due to human error the old card account was not closed correctly and remained open with an outstanding balance. The card account was closed completely a few months later.

In 2010 CitiFinancial sold a portfolio of credit card debts to a third party business. This portfolio included the incorrect debt in Mr B's name. The third party used debt collecting businesses to locate Mr B. Over the next two years he was chased by three different businesses for repayment of this debt. It took several months before the origin of the debt and the cause of the problem could be identified.

Mr B says that he has spent at least three full days sorting out this issue over that time which has cost him money. He also says that it has caused him significant distress and inconvenience for which he wants compensation.

CitiFinancial acknowledged Mr B's complaint but has not provided any response to the issues raised. Following his complaint to this service the bank has not provided a case file or any proposed solution.

The adjudicator recommended that the complaint should be upheld. She concluded that CitiFinancial had made an error in selling the debt to a third party. She considered that the bank should pay Mr B £300 compensation for the distress and inconvenience caused. The bank has not responded. Mr B has not commented on the £300 figure but we know he is seeking more compensation.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I find that CitiFinancial made an error by incorrectly selling to a third party a debt in Mr B's name which had been fully repaid. I find that as a result of this error Mr B suffered unnecessary distress and inconvenience when he was chased for repayment of this debt by the third party. The actions of the third party are the subject of a separate complaint. I fully understand Mr B's frustration at the problems he has been caused through no fault of his own. I also find it completely unsatisfactory that CitiFinancial has not responded to his complaint or apologised for its error. But I do not have any evidence of a direct financial loss or meaningful costs he has incurred as a result of the error. I conclude that compensation for distress and inconvenience is appropriate. But I consider that the £300 proposed by the adjudicator is fair and reasonable.

**my final decision**

My final decision is that I uphold this complaint and I order CitiFinancial Europe Plc to apologise in writing to Mr B and to pay him £300 compensation.

John Thornton  
**ombudsman**