

complaint

Mr K's complaint is about a debt he was being chased for that related to someone else.

Mr K says Bank of Scotland's actions caused him loss.

background

Bank of Scotland were chasing a debt which they thought belonged to Mr K. The debt was in fact against someone else who had the same name as Mr K but a different spelling. The debt was being chased at his address.

When Mr K started receiving letters from Bank of Scotland, he got in touch with them to explain that he wasn't responsible for the debt. But he continued to receive letters and some time after that, default information was placed on his credit file, despite Bank of Scotland confirming the debt wasn't his.

Eventually the debt was sold on to another company who continued to chase Mr K. This led to a county court judgment being obtained against him and further adverse information being placed on his credit file. The complaint about the other company is being dealt with separately by this service.

Our investigator considered Mr K's complaint against Bank of Scotland and said it should be upheld. She noted that Bank of Scotland had offered Mr K £500 in compensation for their actions and said she thought this was adequate. Bank of Scotland have also offered Mr K £90 to cover the cost of the credit reports he has paid for.

I provisionally considered Mr K's complaint and informed the parties that I thought it wasn't one this service couldn't look at because Mr K wasn't an eligible complainant. This was because he wasn't a customer or potential customer of Bank of Scotland when he was being chased for the other person's debt. And there were no exceptions that allowed us to consider Mr K's complaint such as an activity being one that applied here. I then reconsidered my position having noted that some of the correspondence Bank of Scotland sent Mr K in 2016 appeared to be addressed to him and not the other person. Because of that, I concluded it was possible he could've thought he was being chased for a debt directly, rather than for the debt of another. Consequently I concluded this was a complaint that fell within our rules.

Because of this I went on to think about the merits of Mr K's complaint. Having done so, I agreed that Bank of Scotland should've done more to (i) prevent a default being applied to his credit file when he told them the debt wasn't his and (ii) to remove it in a more timely manner. Bank of Scotland offered to pay Mr K £590 to compensate him for this. I thought this was adequate.

I asked both parties to provide any other comments or information they wanted considered in response to my provisional decision. Bank of Scotland haven't commented on my provisional findings but have said they remain prepared to pay Mr K the £590 they have offered him. Mr K has asked for a final decision so I've determined this complaint in my findings below.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I remain of the view that Mr K's complaint should be upheld for the same reasons reached by our investigator and as set out in my second provisional view.

Bank of Scotland accept that they did something wrong so they've offered Mr K £590 to compensate him for this. But Mr K doesn't feel this goes far enough. I don't agree. The default appeared on his credit file for a similar duration to the county court judgment (CCJ) obtained against him by another company. A CCJ would have had more of an impact on his ability to obtain credit, so I can't say that what Bank of Scotland did in isolation led to the losses he says he suffered.

As Mr K will know, I've now decided his complaint against the other company who bought the debt from Bank of Scotland and addressed the question of his losses in that decision. So I won't be commenting any further on that in this decision.

my final decision

For the reasons set out above, I uphold Mr K's complaint against Bank of Scotland Plc and direct them to pay Mr K £500 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 15 December 2019.

Lâle Hussein-Venn
ombudsman