

## **complaint**

Mr S complains that Skipton Building Society is pursuing him for a debt he says he doesn't owe. He says this is harassment and breaches regulations and legislation.

## **background**

Mr S says Skipton sold his property for less than it was worth following a voluntary possession process in mid 2014. He says he shouldn't have to pay the mortgage shortfall of about £97,000. Mr S says Skipton breached rules set out by the Financial Conduct Authority (FCA). He says it shouldn't pursue him for the debt because it knows that he disputes it and hasn't provided evidence of why his claim that he doesn't owe the debt isn't valid.

The adjudicator didn't recommend that the complaint should be upheld, saying:

- Mr S previously brought a complaint to us about the shortfall debt. The complaint wasn't upheld.
- While Skipton contacted Mr S before a final decision was issued on Mr S's previous complaint, this wasn't unreasonable. Skipton had reason to believe the debt was owed. It was reasonable for Skipton to contact Mr S with the aim of reaching agreement about repaying the debt.
- The arguments Mr S was now presenting would be better dealt with in a court.

Mr S didn't agree.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

This service previously considered Mr S's complaint about whether he owes the shortfall debt – that is, the mortgage debt less the net sales proceeds of his property. Mr S's complaint wasn't upheld.

Mr S said Skipton shouldn't have contacted him while his previous complaint was ongoing. While lenders sometimes put their recovery processes on hold while we consider complaints, they aren't required to do so. Skipton contacted Mr S after it received the adjudicator's view. It contacted him again about two months later, asking for information about repayment of the debt.

The FCA's rules say a lender mustn't ignore a customer's claim about a debt being settled or disputed. But I don't think this means a lender can never pursue a debt if a customer disputes it. Skipton responded to Mr S's complaint about the shortfall debt and has explained why it believes the debt is owed.

Ultimately, only a court can determine whether the debt is owed. But I don't think Skipton acted unreasonably when contacting Mr S about the debt. While the debt is outstanding it's likely interest will be applied to it. And taking legal action to enforce the debt is likely to incur costs. I think it's reasonable for Skipton to contact Mr S to try to reach an agreement about repaying the debt to avoid unnecessary interest and costs increasing the debt.

Mr S can choose whether to accept my decision. If he doesn't accept my decision, he will be free to raise this matter in legal proceedings. Or, if Skipton takes legal action to recover the debt, Mr S will have an opportunity to raise his arguments in court.

**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 S to accept or reject my decision before 8 May 2017.

Ruth Stevenson  
**ombudsman**