

complaint

Mr C complains that TSB Bank plc sold his credit card debt to a debt collection agency.

background

Mr C lost his job and fell into financial difficulties. He had a significant credit card debt and in June 2016 entered into an arrangement with the bank to pay £5 per month. He went to his local branch to make a payment and was referred to Lloyds Bank. He left a payment at a drop box in Lloyds which was later returned to him. He says that he was told by Lloyds he would receive a payment book.

TSB says it received no payments from August to December and so it passed the debt to a debt collection agency. When Mr C complained TSB offered him £25 for incorrectly telling him to make his payment at Lloyds. However, it didn't agree to take the debt back.

Mr C brought his complaint to this service. Our adjudicator didn't consider it should be upheld. She agreed TSB had made a mistake in sending him to Lloyds. However she couldn't hold TSB responsible for Lloyds telling him he would receive a paying in book. She also said that it would have been reasonable for Mr C to have tried to make his payments even though he hadn't received a paying in book.

Since he hadn't tried to pay for over three months she didn't think it was unreasonable for TSB to have passed his debt to a debt collection agency. Mr C 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.

It was unfortunate that Mr C was given the wrong information when he visited the local TSB branch. But that doesn't mean that he didn't have to try and make the payments he had agreed to make. If he had done so I may have considered the bank to have acted unreasonably in transferring his debt. However, I gather he didn't make any enquiries of the bank as to what had happened to the paying in book or how he could make the payments.

Given he had missed at least three payments it was not unreasonable for the bank to act as it did. I understand that it followed its standard procedures. As such I consider the £25 offered by TSB for its error is fair and reasonable.

my final decision

My final decision is that I do not uphold this complaint and I leave it to Mr C to decide if he wishes to accept the offer of £25 made by TSB Bank plc. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 22 March 2017.

Ivor Graham
ombudsman