

## **complaint**

Mr L's a director of a company I'll call TN. And he's raised a complaint on its behalf.

TN's complaint is that Clydesdale Bank Plc ("Clydesdale") hasn't honoured an agreement it made with it. It also believes Clydesdale made a mistake with the amount it said was owed when TN's debt was sold on to a third party.

## **background**

TN was in financial difficulties and it previously had concerns about how it was being treated by Clydesdale. But the parties eventually reached an agreement about how the relationship should work moving forwards.

TN now believes Clydesdale didn't stick to this agreement.

I outlined a full background to this complaint in my provisional decision. So I won't revisit that in full here. In summary, I initially found Clydesdale had treated TN reasonably in most of its dealings with it, but it hadn't provided clear and consistent information about the amount TN owed, so I said it should pay it £500 in compensation for that.

TN responded to my provisional decision. It said it had provided Clydesdale with all the information it had been asked for and says the recalculation of interest shows it had done everything required of it. TN also pointed out it made all the agreed payments.

Clydesdale didn't respond to my provisional decision, so I'm assuming it has nothing to add.

## **my findings**

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

### *the agreement*

I appreciate the further comments TN's made in support of its position. I understand there was a discussion surrounding the interest rate to be applied to the debt TN owed and it also promised to make monthly payments towards the interest that was being accrued. But this wasn't a long-term solution, and Clydesdale was keen for the capital amount owed to be reduced.

TN says it gave Clydesdale all the information it was asked to provide. However, I'm not satisfied a formal agreement was ever reached about the repayment of the capital amount. I know there was some discussion around this, covering the release of security, but that Clydesdale was reluctant to allow this to happen.

TN wanted to sell a property and keep some of the proceeds. It was envisaged that this would then help it maximise the value of other properties it intended to sell in order to reduce the debt. But Clydesdale didn't think this was appropriate. Discussions surrounding this went on for some time but nothing conclusive was agreed.

It seems the sale of property only really began after the debt had been sold by Clydesdale. TN's explained the debt purchaser has since objected to the piecemeal sale of property and is looking for the full debt to be repaid in one go. While I can see why this is a significant

problem for TN, as it isn't a decision that's been taken by Clydesdale, I can't say it's done anything wrong.

*the amount owed*

Neither TN nor Clydesdale has provided any material comments on the amount that was owed and how it was calculated.

With this in mind, I see no reason to depart from my original opinion on this aspect of the complaint. I still think Clydesdale didn't explain how much was owed, or how it reached this figure, clearly enough before the complaint came here. And this must have caused some confusion, and contributed to the deterioration of the relationship between the parties, not least in respect of trust.

The amount TN has to repay is now a matter for the new owner of the debt. And Clydesdale can't control what's happened since the sale. But *it is* responsible for the way it communicated with TN before the sale so I still believe it should make a payment to reflect that.

**my final decision**

My final decision is that to resolve this complaint Clydesdale Bank Plc should pay TN compensation of £500.

Under the rules of the Financial Ombudsman Service, I'm required to ask TN to accept or reject my decision before 20 June 2016.

Ashley L B More  
**ombudsman**