

complaint

Miss G complains that The Co-operative Bank Plc treated her unfairly when it passed account to a debt collection company.

background

Miss G had an outstanding overdraft balance with The Co-op. Due to her personal circumstances, The Co-op agreed to suspend payments for six months. At the end of six months, the bank agreed to freeze her account again for a further six months.

Miss G wasn't happy when The Co-op passed the account to a debt collection company. The debt collection company wrote to her in June 2016. Miss G has found the experience very distressing, particularly as she has a young baby.

Miss G was also concerned when The Co-op told her the debt would appear on her credit file for a second time if the bank brought it back in house.

Before this service became involved, the bank apologised for passing her account to the debt collection company. It sent Miss G £100 and explained her account would be returned to the bank's recoveries team to avoid a second entry on her credit file.

Our adjudicator didn't recommend that Miss G's complaint be upheld. She agreed that The Co-op made a mistake but thought it had done enough to put things right by bringing the debt back in house, backdating the six month payment holiday and paying £100 compensation.

Miss G disagrees with our adjudicator. She says she didn't know her account had been transferred until she received the letter from the debt collection company in June 2016.

my findings

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

I would expect The Co-op to respond positively and sympathetically to Miss G's financial difficulties. I'm satisfied that it did when it agreed to suspend repayments and interest for two periods of six months each.

I can appreciate Miss G was upset to find out The Co-op had transferred her account to the debt collection company after the bank said it was on hold. But I'm satisfied The Co-op discussed the possibility that the account would be sent to a third party before Miss G received the letter from the debt collection company. And I've seen letters from the bank to Miss G confirming the transfer of her account.

Miss G says she's spent hours worrying about her complaint. I don't want to underestimate the upset she's felt but I find The Co-op has done enough. The bank has put Miss G back in the position she would have been had it not passed the account to the debt collection company. And it's paid £100 compensation. Miss G would like it to pay more than this but I don't require it to do so.

I understand Miss G was upset when The Co-op initially told her that if it brought the debt back in-house, it would result in a second entry on her credit file. But I can see the bank corrected this information in its final response in June 2016.

I'm sorry if my decision comes as a disappointment to Miss G.

my final decision

My decision is that I don't uphold this complaint in the sense I find The Co-op has already done enough.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 6 February 2017.

Gemma Bowen
ombudsman