

complaint

Mr R, bringing the complaint on behalf of the estate of the late Miss R, complains that Bank of Scotland plc trading as Halifax hasn't provided him with the correct payment details in order to allow him to settle the debt and discharge the estate.

background

Mr R previously brought two complaints to our service about the total debt owed by the late Miss R's estate to Halifax. The first was resolved and Mr R accepted the outcome. The second complaint looked at the events since the first complaint and a final decision was issued. Mr R accepted the final decision, making it legally binding on both parties.

Mr R, acting on behalf of the estate brought a new complaint to us. He said that to settle the debt owed to Halifax he would need a break down of the both the secured and unsecured debt and separate accounts to pay the debts independent of each other. And because he hasn't been provided with this he hasn't been able to settle the debt to date and discharge the estate.

Mr R also says Halifax has breached FCA guidelines by not providing the correct statements for the outstanding debt.

Halifax says it has tried to comply with Mr R's requests but these have been vague. It supplied the mortgage statement in June 2016 which provided the account breakdown. Although the previous decision provided for interest to be chargeable from 31 December 2015, this was extended. And Halifax has decided to waive interest and charges applied since that date. And so the balances quoted in the ombudsman's previous decision have remained the same and this will be honoured until 31 March 2017.

One of our investigators looked into the matter for Mr R but didn't think Halifax needed to do anything further. She was satisfied it had provided the information required by the regulator and needed by Mr R to settle the debt. She also felt Halifax had acted reasonably and fairly by removing all interest and charges applied since the final decision. And so she didn't recommend it pay any compensation for this new complaint.

Mr R disagreed. His main concerns were the debt needed to be separated; showing both the secured and unsecured elements with separate account numbers. And he requested the evidence of the statements Halifax sent to him.

my findings

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

Mr R has made a number of detailed points, which I have read and considered. I hope the fact that I do not respond in a similar manner here will not be taken as a discourtesy; as an informal dispute resolution service, we are tasked with reaching a fair and reasonable conclusion with the minimum of formality. In doing so, it is not necessary for me to respond to every point made, but to concentrate on the crux of the issue.

I agree with our investigator that Halifax doesn't need to do anymore in respect of the requests for information that Mr R has made and it doesn't need to pay any compensation. I know this will be disappointing for Mr R but I hope my explanation will help him understand how I have come to this conclusion.

redemption statement

The total debt to be repaid by the estate was set out with a break down in the ombudsman's decision, dated 30 October 2015. And Halifax has explained that because all interest and charges since then have been removed the debt has remained the same. So I'm satisfied Mr R has been provided with the information he needs to administer the estate.

Halifax provided several different statements for the arrears that accrued due to non-payment of the debt. This included an annual mortgage statement produced in June 2016. So I do not believe Halifax needs to do any more and it has complied with the regulations in providing the correct statements to Mr R.

I can see there was some confusion over the account number in order for the standing order to be set up for repayment. But this has now been resolved and Mr R has been provided with the correct information. Although there was some confusion, I do think the instruction itself was clear. If Mr R didn't understand the instruction from Halifax, prior to attempting to set up the payment, he could've contacted Halifax to clarify this first.

Halifax also offered alternatives to Mr R to set up the payment, including setting up a direct debit over the phone, which Mr R didn't accept. So I'm satisfied the delays around this could've been avoided by Mr R being more proactive. I think Halifax acted reasonably and so doesn't need to pay any compensation for this issue.

breakdown of secure and unsecured debt

Our final decision dated 30 October 2015 separates the secured from the unsecured debt. So I think this information is sufficiently clear for Mr R.

In addition, Halifax wrote to Mr R on 14 March 2017, providing a redemption statement for the secured element of the debt. As already mentioned this is the exact figure given in the final decision issued on 30 October 2015 so I will not be revisiting these figures. But I am satisfied Halifax has provided the information Mr R needs to settle this debt.

In terms of the break down, I can understand why Mr R has asked for separate accounts for the secured and unsecured elements of the debt. When settling an estate debts must be paid in a strict order, with unsecured lending coming further down the list than secured lending. However, it is my understanding that Mr R has not substantiated any other creditors to be paid before the unsecured element of the debt would be due to Halifax. With this in mind, and given my finding that Mr R is already in possession of the information he needs, I don't require Halifax to do anything further.

The total debt has been agreed by both parties and so Mr R now needs to make arrangements to pay this.

compensation

Halifax has agreed to waive all interest and charges applied during the last two years which I think is reasonable given some of the additional delays and confusion caused. And whilst it has taken us some time to reach this point I don't think Halifax needs to pay Mr R and the late Miss R's estate any further compensation. The final redemption figures were clearly set out in the final decision dated 30 October 2015. Mr R has been aware of this for over two years.

Halifax said it would allow until 31 March 2017 for payment to be made. But has recently confirmed it will extend this by a further month. At which point, it would need to review its position and would be entitled to commence charging interest at this point if the balance is not repaid on one or both sub accounts of the loan.

I think this is fair in the circumstances and beyond that date I am satisfied Halifax, may begin to charge interest on the debt at its standard variable rate.

my final decision

So for the reasons I've given I don't uphold this complaint against Bank of Scotland plc, trading as Halifax.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 3 May 2017.

Sophia Smith
ombudsman