

## **complaint**

Mr and Mrs G complain that NRAM plc incorrectly told them that the unsecured loan that they had set up alongside their mortgage had been paid off. They want NRAM to acknowledge it made a mistake and that Mr G had done everything reasonable to repay his creditors. They also want NRAM to write off the loan.

## **background**

In 2000 Mr and Mrs G took out an unsecured loan for £30,000 alongside a mortgage with NRAM. The mortgage was redeemed in 2001.

Mr G got into financial difficulties in 2008-2009. When he moved abroad to work he employed a debt management company, ("DMC"), to set up a debt management plan. He says that in December 2014 he asked DMC to get final settlement figures from his creditors. And that NRAM told DMC that his loan was clear. A short time later Mr G made financial arrangements to make payments in full and final settlement of all the debts he knew about. But soon after that NRAM wrote to Mr and Mrs G saying that the loan had not been cleared.

NRAM accepts that its representative incorrectly told DMC that the account had been cleared.

Mr G says that he would have made different financial arrangements and settlements with his creditors had he known about the outstanding loan.

NRAM has been chasing Mr and Mrs G for payment. And has instructed a debt collector. Mr G says that this amounts to bullying when NRAM knows he has had several conversations with it about the loan. He also complains that NRAM continued to write to him and Mrs G after it had told this service that it would stop while we completed our investigation.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I have seen the loan agreement with NRAM signed by Mr and Mrs G in 2000. So I am satisfied that they did take out a loan as NRAM has told us.

When Mr G had financial difficulties NRAM agreed several payment plans for repaying the loan with both him, and then with DMC. In 2014, after it says the plans had been broken, it decided that Mr and Mrs G were not giving the loan sufficient priority. And the loan account was transferred to its loss recovery department. NRAM says that this meant that the outstanding loan no longer showed up on its "live" accounts. It says that this is the reason its representative gave DMC the wrong information. And it has offered Mr and Mrs G £100 compensation for the trouble this has caused them.

Mr G says that the incorrect information was also given in writing to DMC. But neither party has supplied this evidence to us. In any event I have seen statements and letters to Mr and Mrs G dated at least as late as the second half of 2014 from which it was clear that the loan was outstanding. Mr G says that these letters would have been sent direct from his home in UK to DMC and not forwarded to him at his overseas address. So he did not see them all. But I find that if this was the case this was not NRAM's fault.

I have also seen that DMC was making payments to NRAM for the loan until November 2014. So it was aware of the debt in the month before it was given the incorrect information. I find it most likely that DMC would have known had Mr and Mrs G paid off the loan as it was handling their debts. So in the absence of any information that this had happened, at the very least I would have expected DMC to query what NRAM told it with Mr and Mrs G and NRAM. I find that it was not NRAM's error if DMC had failed to do this.

I am satisfied that it is reasonable for me to conclude that Mr and Mrs G ought to have known about the existence of the loan at the time they made what they say they thought were the final arrangements with their creditors. So I find that it would not be reasonable to ask NRAM to write it off because of an error made by one of its representatives.

### **my final decision**

For the above reasons I do not uphold this complaint. I leave it up to Mr and Mrs G whether they wish to accept the £100 compensation offered by NRAM for the trouble caused by giving Mr and Mrs G incorrect information.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs G to accept or reject my decision before 22 April 2016.

Ros Barnett  
**ombudsman**