

complaint

Mr J complains that Bank of Scotland plc transferred his credit card debt to a collection agency when he was making agreed payments.

background

In late 2013 Mr J faced financial difficulties and was unable to make his monthly credit card payments. After several missed payments the bank issued a notice of default on 31 October. Mr J contacted the bank on 5 November and asked that the account be placed on hold as he was not working, but hoped to return to work in January.

Mr J spoke to the bank's collections department on 7 December and agreed to make token payments of £1 a month. The contents of this call are disputed, but the bank suspended interest and charges and wrote to Mr J to confirm the arrangement explaining that it would be for a maximum of six months.

The bank wrote to Mr J on 6 January 2014 to say it was transferring the debt to a collections agency. The agency also wrote on the same day to ask that Mr J contact it to discuss paying the debt. Mr J complained to the bank and wrote to the agency which agreed to accept the £1 token payments for the agreed six months. The bank rejected Mr J's complaint, but paid him £40 as it had not returned one of his calls.

Mr J brought his complaint to this service. Our adjudicator did not recommend that it be upheld. Mr J said that in the call on 7 December he had been told the arrangement would last for six months. The call recording was no longer available, but the bank's complaint handler had listened to it and said that the bank's call handler had made it clear that the arrangement could last a few weeks or the full six months. The adjudicator considered that Mr J had suffered no material loss as the agency had accepted the £1 token payments for six months. He also noted that the bank had made a goodwill payment.

Mr J did not agree and felt that the bank had destroyed the call recording and as a result he had been disadvantaged

my findings

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

It is regrettable that the call recording was not retained. However, I do not think its contents are as significant as Mr J believes. Even if he was led to believe that the arrangement to make token payments would last for six months I do not see how he has been disadvantaged. I accept he was probably surprised to receive a request from the agency to contact it to discuss repaying his debt. However, when he contacted the agency it agreed to honour the arrangement he had made with the bank for six months. In effect the arrangement has not been broken. In return the bank stopped charges and interest and this allows Mr J some breathing space to try and address his debt problems.

The reality is that Mr J has found himself in financial difficulties and the bank has assisted by accepting an arrangement to pay and that has been honoured by the agency. I would remind the bank and the agency of its obligation to continue to deal with Mr J positively and sympathetically in helping him resolve his financial difficulties. Finally I would add that I

consider the bank's payment of £40 because it did not return a call as it had promised is fair and reasonable.

my final decision

My final decision is that I do not uphold this complaint. Under the rules of the Financial Ombudsman Service, I am required to ask Mr J to accept or reject my decision before 20 April 2015.

Ivor Graham
ombudsman