

complaint

Mr W complains that Nationwide Building Society is chasing him for a debt he paid in full years ago.

our initial conclusions

The adjudicator recommended that the complaint should be upheld, saying he was satisfied that the debt, which was the subject of County Court proceedings, was paid in full. The adjudicator recommended that Nationwide write off the debt, correct Mr W's credit files and pay compensation of £450 for his distress and inconvenience.

Nationwide did not agree, saying that the debt was still owed and that it discontinued court proceedings because the debt was disputed, not because it was settled. Nationwide said that it should not have sold the debt to a third party after proceedings were discontinued and that its goodwill offer to write off the debt was fair compensation for its error.

my final decision

To decide what is fair and reasonable in this complaint, I have considered everything that Mr W and Nationwide have provided.

I am persuaded from the evidence that Mr W settled the debt that was the subject of County Court proceedings as this was confirmed by Nationwide's solicitors. Nationwide says that fees and costs in addition to the settled debt were applied to Mr W's account, resulting in a debt that it sought to recover from Mr W. It would be reasonable to expect Nationwide to provide evidence that a debt is owed to it: without this, I am not persuaded that a debt is owed by Mr W to Nationwide. It follows that Mr W should not have been chased for the debt by Nationwide or third parties and I find that the compensation recommended by the adjudicator is fair and reasonable in the circumstances.

My final decision is that I uphold the complaint. In full and final settlement of it I order Nationwide Building Society to write off the debt it says Mr W owes, remove any adverse information relating to it on Mr W's credit file and pay compensation of £450 to Mr W.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr W either to accept or reject my decision before 30 July 2013.

Ruth Stevenson

ombudsman at the Financial Ombudsman Service

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

ombudsman notes

what is a final decision?

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

what happens next?

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.