

## **complaint**

Mr O complains that Santander UK plc told him, three times, that his debts with it had been “written off”.

## **background**

Mr O had two accounts and a loan with Santander. All three accounts were defaulted in 2013. The loan was passed to a debt collection agency and has since been settled. Mr O has been paying £1 per month towards the balances outstanding on the other two accounts.

In late 2018 Mr O had a bad accident and hasn't been able to work since then. He contacted Santander about the two outstanding debts and three different advisors have all said that the debts were “written off” in 2013. He believes that this means that he no longer owes any money. He is also unhappy about the level of service he has received from Santander's advisors and for being given an incorrect contact number.

Santander accepts that its letter gave a wrong telephone number and that the information given by the advisors could have been clearer. It also accepts that it did say that the debts had been “written off”, although on each occasion the advisor made it quite clear that a debt remained. Santander agrees that the term “written off” should not have been used because it can give rise to confusion. It has apologised and paid £125 Mr O for the upset it caused.

Our investigator said that whilst Santander had said, a number of times, that Mr O's accounts had been written off, it also made it very clear that the debts were still outstanding. Santander understood Mr O wasn't able to make regular repayments so it had asked him to pay what he could, when he could. Santander has already paid £125 compensation for the upset and confusion it caused, which the investigator thought was reasonable.

Mr O didn't agree. In summary, he said that he waited far too long for Santander to reply to his complaint, it wasn't clear that the letter it then sent was a final response letter and, despite Santander saying that it would stop using the phrase “written off” it has continued to do so.

## **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 O has raised a number of issues about Santander's actions which he would like this service to answer. Whilst I have read and considered all that he and Santander have said, I find that I do not need to comment individually on all of the points Mr O has raised, in order to resolve the complaint in line with my statutory duties.

*“written off”*

I understand Mr O's concern in that he has been told by Santander staff on a number of occasions that his two accounts had been written off and that he needn't make any repayments. I can see that he might take this to mean that his debts have been removed. In relation to debts, the term “written off” means that once a debt has been defaulted (with the statutory default notices being sent to the customer) it is considered a bad debt. If the bank doesn't expect it to be repaid in a reasonable amount of time it can “write off” the debt in its records. This means that it will no longer charge interest or fees and it can reduce the debt

to zero in its books to report it as a loss. It doesn't mean that the debt has been wiped out or eliminated. Often, at this stage, a bank will pass the debt to a debt collection agency.

Mr O's accounts were defaulted in 2013 and shortly after that Santander closed the accounts in its records. No further interest or charges were applied to the accounts. I can see that Mr O was paying £1 per month to each of those accounts until January 2019. So I'm satisfied that he knew that he still owed money to Santander.

When he contacted Santander to let it know that he wasn't able to work, following his accident, I appreciate that Santander might have caused some confusion by telling him that the accounts had been written off. Having listened to the calls and reviewed Santander's records, I find each advisor made it quite clear that a debt still existed, even though they said that Mr O could make repayments as and when he could.

Santander accepts that its advisors perhaps could have been clearer in some of these calls. It has apologised and has already paid Mr O £125 for the upset and confusion it caused. I consider this to be fair and reasonable.

Mr O has said that, despite Santander saying it would ask its staff to stop using the phrase "written off" they continue to do so. Although I accept that the phrase was used after Santander had written to Mr O about this, I find that the advisor only did so after Mr O used the phrase himself first, by asking the advisor to confirm that the account had been written off. Santander has told this service that it will ask its staff not to use the phrase, even if it is used by one of its customers. I appreciate Mr O's strength of feeling about this matter but I'm not a regulator so I can't require the bank to change its overall policies or systems.

#### *final response letter*

Santander wrote to Mr O on 14 January 2019 about his complaint. Mr O didn't consider this to be Santander's final response to this letter. He felt that Santander should have stated it was a final response letter. I have looked at the letter and I can see that Santander has included Mr O's referral rights to this service. The FCA handbook says that a final response letter is a written response, which:

- a) accepts the complaint and, where appropriate, offers redress; or
- b) offers redress without accepting the complaint; or
- c) rejects the complaint and gives reasons for doing so;

**and** which informs the complainant that, if he remains dissatisfied with the firm's response, he may now refer his complaint to the Financial Ombudsman Service and must do so within six months

I'm satisfied that Santander's letter fulfilled all these conditions. It didn't need to have the title of 'Final Response Letter' to be considered as one.

#### *response to the final response letter*

Mr O says that he sought the Citizens Advice Bureau's help to reply to Santander's final response letter and Santander chose to ignore his letter. But I find that Santander did reply, in writing, on 23 January 2019, just one week later. It told Mr O that its original decision remained unchanged and that he still owed the outstanding debts. It asked him to make an arrangement with the debt collection agent. The letter also gave Mr O his referral rights to this service again. Mr O suggests that he didn't receive the letter until March 2019 after he

chased Santander again. Whilst I can't say why Mr O didn't receive it I'm satisfied that Santander sent it so I can't find that it caused any delays or made a mistake.

I realise that Mr O will be disappointed but, for the reasons I have explained, I'm not persuaded that it would be fair or reasonable to require Santander to do any more than it has already done.

**my final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 9 September 2019.

Karen Wharton  
**ombudsman**