

## **complaint**

Mrs B complains that HSBC Bank Plc is pursuing her for a debt which it last contacted her about in 1999. She says HSBC is time-barred from pursuing the debt and that its actions have caused her distress and inconvenience. She would like the bank to write off the debt and remove any reference to it from her credit file.

## **background**

Mrs B had taken out a joint loan with her ex-husband but says that he took responsibility for it. She has not received any communication regarding the debt since 1999. In January 2015, she received a letter from a debt collection agency on behalf of HSBC, asking her to repay the debt. It transpired that a claims management company ("CMC") had made a claim to HSBC for PPI premiums on the loan, and that HSBC had paid the premium refund towards the outstanding debt. Mrs B says she did not authorise the CMC to act on her behalf and had no idea the loan was outstanding until she received the demands from the debt collector. She says the matter has caused her considerable distress and inconvenience.

Our adjudicator recommended that the complaint should be upheld. He considered that even though Mrs B's ex-husband had not signed the complaint form, he could still investigate Mrs B's complaint as HSBC is pursuing her for the debt and the ex-husband cannot be found.

Our adjudicator asked HSBC to show it had contacted Mrs B regarding the debt between 1999 and 2015. When HSBC was not able to produce evidence to support this, the adjudicator considered that it was not reasonable for the bank to attempt recovery of a debt that it had not contacted Mrs B about for 16 years. He recommended that HSBC should cease collections activity, write off the debt and pay Mrs B £300 compensation for the distress and inconvenience its actions had caused her. HSBC does not agree.

## **my findings**

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

HSBC had initially challenged whether this Service could consider this complaint without Mr B's ex-husband's signature. But the complaint relates solely to action taken by the bank towards Mrs B, and as her ex-husband cannot be found to sign the complaint form, I consider this Service can proceed on the basis of Mrs B's signature.

HSBC has not been able to show that it contacted Mrs B between 1999 and 2015 regarding the old loan debt. Because Mrs B believed that her ex-husband had taken responsibility for the debt, I consider it was reasonable for her to assume that the debt had been repaid and that this would explain why she did not receive any further correspondence about it. It appears that the debt was 'reactivated' after a CMC made a claim to HSBC for PPI premiums paid on it. Mrs B says she was not aware of this action, and did not authorise it. I consider it most likely that this is the case as there is no indication that Mrs B was aware of the loan or had taken any steps herself to authorise the claim.

Because HSBC did not contact Mrs B within a reasonable timeframe, I consider that the bank missed its opportunity to recover any outstanding amount from her. It has been 16 years since she was last contacted about it and it is not reasonable for the bank to attempt to take further action regarding the debt now. I consider that this matter would have caused

Mrs B considerable distress, as she received numerous demands for payment. I therefore agree that she should be compensated for the distress and inconvenience HSBC's errors have caused her, and that the debt should be written off and all collections activity should cease.

**my final decision**

My final decision is that I uphold this complaint. In full and final settlement of it, I order HSBC Bank Plc to:

- Cease all collections activity and write off the remaining debt;
- Remove any information relating to this matter from Mrs B's credit file; and
- Pay Mrs B £300 compensation for the distress and inconvenience she has experienced.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 22 July 2016.

Catherine Wolthuizen  
**ombudsman**