

complaint

Miss H complains that Bank of Scotland plc trading as Halifax forced her into debt following a loan she says she was pressurised into taking out in 2011.

background

Miss H says in 2011 Halifax reviewed her finances. She says at the time she had about £24,000 in savings and a credit card debt of about £3,800. Miss H says Halifax told her she needed to repay the credit card debt by either using her savings or by taking out a loan. She says she felt pressurised into taking out a loan and Halifax was hostile to her. Miss H says she has taken out other loans and has now been left in a position that she no longer has any savings and that the interest rate was too high on one of the loans.

Halifax received Miss H's complaint in 2016 and said in summary that Miss H agreed to the loans and it was her choice how she repaid her debt. It says all the loans were correctly assessed and that Miss H used the loans to repay other debts. Halifax says it should have removed Miss H's overdraft facility in 2015 but says it's now removed that overdraft debt of about £1,700. Halifax also says Miss H agreed to the loan interest rates.

Miss H accepted Halifax's offer in 2016 but now says it should pay her compensation for what took place.

Our adjudicator looked at the complaint and thought Halifax had dealt fairly with it. The adjudicator thought Miss H had agreed to the loans and their interest rates and could have used the 14 day cooling off period to cancel them if she wished. The adjudicator thought Halifax had dealt fairly with the overdraft problem by writing off the balance of about £1,700.

Miss H doesn't accept that view and says she had money invested with Halifax and questions why she was asked to repay her debt in 2011. She also questions why she wasn't referred to debt advisors sooner and says the original loan caused the later problems.

The adjudicator looked at the complaint again but came to the same overall view and also thought there wasn't any evidence of Miss H being pressurised into taking out that original loan.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so I've come to the same overall view as the adjudicator for the same reasons. I realise Miss H will be disappointed by my decision and I appreciate how strongly she feels about what's happened.

I appreciate that Miss H says she felt pressurised into taking out the original loan in 2011 and that it wasn't needed. But I'm satisfied that was Miss H's decision and that she didn't have to proceed with it. And even if she felt she couldn't cancel the loan within a branch then she could have cancelled the loan within the 14 day cooling off period. I think it would be impossible for Halifax staff to provide their side of what took place in 2011 due to the passage of time and I would have expected Miss H to have raised that issue at the time or shortly afterwards if she felt pressured into taking out the loan.

I'm satisfied that the later loans were all agreed by Miss H and that they were correctly assessed by Halifax. I also think that again Miss H had the option of not proceeding with them if she wished.

There is no question here that Halifax ought to have removed the overdraft facility in 2015. I can see that Halifax accepted that in 2016 and I think acted fairly by crediting Miss H's account with about £1,700 which was the overdraft balance at the time.

I appreciate Miss H says the interest rate on one of the loans was too high. But I'm satisfied that Miss H agreed to it and signed the loan application agreeing to its terms and conditions.

Overall I'm satisfied Halifax has dealt fairly with this complaint and so it follows that I can't fairly order it to do anything further in the circumstances of this complaint.

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 Miss H to accept or reject my decision before 30 January 2020.

David Singh
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