

complaint

Mr S complains about Bank of Scotland PLC's errors concerning his loan account and the implications for his credit file.

background

Mr S had a loan with Bank of Scotland. The loan was defaulted in 2007 and a county court judgement obtained. Mr S made monthly repayments and the debt should have been paid off in full in April 2012. But the bank failed to correctly allocate a number of payments to his account.

When Mr S discovered the debt still showed as outstanding on his credit file he complained to the bank. The bank admitted fault and confirmed that the money he had made in payments towards the debt hadn't been applied to his loan account. It agreed to apply this to the loan account and to update his credit file. It also sent a cheque for £100 for the inconvenience caused.

But when Mr S checked his credit file in July 2014 he found the debt was still shown as outstanding. He complained again to the bank. It confirmed it would resend the letter to the court and update Mr S's credit file. It offered Mr S a further £100 for the inconvenience but Mr S didn't accept and came to this service.

Mr S's credit file has now been updated and he has received a Certificate of Satisfaction to confirm the debt is satisfied. The adjudicator agreed with Mr S that the compensation offered to him wasn't enough and he discussed this with the bank. The bank agreed to increase its offer and agreed to pay a further £300 on top of the £100 it has already paid. The adjudicator recommended this offer to Mr S.

Mr S thinks the compensation offered isn't enough. He says:

- the first payment of £100 from the bank was for an entirely separate issue;
- over the last two years he has paid for two credit reference agency subscriptions, numerous calls and stamps; and
- he has spent time chasing the bank.

my findings

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

Mr S tried to do the right thing and pay off his debt. But over a couple of years he has had his time wasted making numerous calls and has experienced stress and anguish. Just one small insight into the disruption this caused comes from the call notes which say that he was disturbed whilst eating at a restaurant.

In the circumstances I consider it would be fair and reasonable for Bank of Scotland to pay Mr S £500 on top of the £100 it has already paid.

my final decision

My decision is that I uphold this complaint. I order Bank of Scotland PLC to pay Mr S £500 in addition to the £100 it has already paid him.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr S to accept or reject my decision before 25 March 2015.

Nicola Wood
ombudsman