

complaint

Miss G says since Bank of Scotland plc (trading as Halifax) defaulted her loan and current accounts she's suffered unprofessional service on the phone. And her credit file hasn't been updated accurately. The bank's compensation of £75 (plus £31.50 to cover call costs) doesn't reflect the way she's been treated.

background

Miss G's loan and current accounts defaulted in 2012. She started to repay £30 a month in July 2013 and thought this was split across both debts. When she later checked her credit file she saw her current account balance wasn't reducing and raised a complaint. This involved a number of phone calls as she tried to understand what was happening. At times she said the bank was professional, but on many calls the service was rude and unhelpful.

The bank explained that Miss G's £30 repayment was only going against her loan debt. It said five different debt recovery agencies tried to contact Miss G about her current account so she should've been aware no payments were being made against that account. The information on her credit file showing payments against the loan, but not the current account, is accurate. It apologised for the poor level of service from its Consumer Debt Recovery department and paid compensation of £75.

our initial conclusions

Our adjudicator didn't recommend the complaint should be upheld. He said there was no evidence Miss G asked for the payment to be split across the two debts, so he couldn't tell the bank to make any amends to her credit file. He confirmed the balances and the details of who was managing each debt. He said the bank has significantly reduced her current account debt, waiving fees and charges applied after a certain date, to try to assist Miss G. He concluded that this, plus the £75 compensation for the poor service and £31.50 for her calls costs, was a fair outcome.

Miss G disagreed. She said this view didn't reflect the extent of the terrible service – had we listened to any of the calls? And that her loan repayments were collected by a business which appeared to no longer be trading but she wasn't told this. Miss G then agreed to get us her phone records so the bank could trace and share the relevant calls. But this didn't happen. However, the bank supplied three calls it could trace. Our adjudicator listened to two calls with the bank's recoveries team and Miss G's final complaint call. As this didn't change his recommendation, Miss G asked for an ombudsman's review.

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 reached the same conclusion as the adjudicator and for the same reasons.

I agree there was no bank error when it applied Miss G's £30 repayment solely to her loan account. So it follows I find the data it passed to the credit reference agencies (showing no repayment on her current account, and a reducing balance on her personal loan) was accurate.

I know Miss G still feels very strongly that the service from bank was unprofessional, and at times rude. She has also said the bank made no contact whatsoever about her current account until she got in touch to find out where the £30 was going. The bank has said five different debt recovery agencies tried to contact Miss G, and it also sent out all the required letters and notices. Its system records support this so I can't fairly say it didn't try to get in touch with Miss G, or hold it liable for the non-receipt of so much correspondence.

I have listened in full to the calls we have. I can see why it was frustrating for Miss G: she was given inconsistent information, and at times confusing responses. I don't think however that the bank employees were rude. Overall the service wasn't good enough, but the individuals were apologetic when Miss G raised her concerns.

I think the £75 compensation for the service failures, plus £31.50 for calls costs, is reasonable. The bank has also waived over £400 of charges on her current account to help Miss G.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 7 April 2016.

Rebecca Connelley
ombudsman