

## **complaint**

Mr L complains that Bank of Scotland plc (trading as Halifax) asked him to repay a debt that had already been settled.

## **background**

Mr L entered in to an Individual Voluntary Arrangement (IVA) in 2008. The IVA ended in 2013 but the final completion paperwork wasn't sent out until 2014. Through limited company T, Halifax received a letter saying the IVA had failed. Halifax continued to chase payment of Mr L's debt.

Mr L told the debt collection companies that his IVA hadn't failed and that he didn't owe Halifax any money.

Halifax now agrees the IVA hasn't failed and confirms Mr L no longer owes it any money. Mr L wants Halifax to apologise and pay compensation for the bullying, harassment, physical threat and breaches of the Data Protection Act 1998 (DPA).

Our adjudicator considered Mr L's complaint should be upheld. He said T was working on behalf of Mr L's creditors, including Halifax. So our adjudicator thought Halifax was responsible for T's failure to give the bank the correct information the IVA. Our adjudicator didn't agree that Halifax breached the DPA by instructing debt collection agencies to pursue Mr L for payment.

Our adjudicator thought the bank should pay Mr L £250 compensation for the unnecessary upset caused to him by the continued debt collection activities.

Halifax didn't agree with our adjudicator's recommendation. It said Mr L's insolvency practitioner gave T the wrong information about the IVA. Halifax says it relied on this information and continued to pursue Mr L for payment of the debt. And that if Mr L had sent the bank or the debt collection companies the correct information; it would've resolved the situation sooner.

Mr L wants the bank to increase the level of compensation. Mr L says he felt hounded and threatened.

## **my findings**

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

I can appreciate Mr L has found the whole experience very frustrating and upsetting. He shouldn't have had to deal with debt collection companies and Halifax once his IVA had concluded. But this service isn't a regulator – that's the role of the Financial Conduct Authority. That means that we can't fine or punish Halifax. Instead, I need to consider what the bank should do to put things right for Mr L.

Halifax appears to have received conflicting information about the outcome of the IVA. The insolvency practitioner sent T a copy of a failure report that was intended for another of Mr L's creditors. The insolvency practitioner also sent T a copy of the correct completion certificate addressed to the bank.

The failure notice that Halifax relied on wasn't addressed to the bank. And I find it reasonable to have expected Halifax to notice this.

T says that it acts as an intermediary between the bank and Mr L's insolvency practitioner. Halifax could've contacted T for a copy of the correct completion certificate if it hadn't received it. I agree with our adjudicator that Halifax let Mr L down when it continued to pursue him for repayment of the debt.

I appreciate that Mr L could've done more to help the situation when the debt collection companies contacted him in 2015. But I understand Mr L was unwilling to give further information that he considered the bank already had.

Our adjudicator recommended that Halifax pay Mr L £250 compensation for the upset he has felt. Mr L would like the bank to pay more but our awards are usually modest. I don't want to appear to downplay Mr L's concerns for his wellbeing and safety but I find £250 is fair and reasonable.

If Mr L remains concerned about his treatment by the various debt collection companies, he can complain to those businesses. And if he's not satisfied with the outcome, Mr L could come back to this service.

### **my final decision**

My decision is that I uphold this complaint and direct Bank of Scotland plc (trading as Halifax) to pay Mr L £250 in full and final settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 4 May 2016.

Gemma Bowen  
**ombudsman**