

complaint

Mr and Mrs S complain about the time taken by NRAM Limited to decide whether to write off the balance of their mortgage loan and its poor service. They'd like the debt written off.

background

Mr and Mrs S's mortgage with NRAM has been in arrears for some time due to financial difficulties. Changes to benefit payments in early 2017 made their situation worse and they asked their creditors, including NRAM, to write off debts. Mrs S says she provided all the information NRAM asked for in August 2017. NRAM took several months to make a decision. Mr and Mrs S also complain about NRAM's poor service. Mrs S has health problems and says she can't start a new treatment until she knows she can afford to complete it. And they need to make adjustments to their property.

The investigator recommended that the complaint should be upheld in part, saying:

- NRAM is entitled to use its commercial judgement about whether to write off a debt. NRAM didn't write off the debt as the income and expenditure information provided by Mr and Mrs S showed they had disposable income to make repayments.
- While Mr and Mrs S had earmarked surplus income for future medical treatment and adjustments to the property these payments weren't being made. NRAM said it would reconsider its decision if Mr and Mrs S's circumstances change.
- NRAM had to communicate with UK Asset Resolution Limited (UKAR) about the request to write off the debt. While it could have chased UKAR on occasion it hadn't caused unreasonable delays.
- An agreement to cap Mr and Mrs S's debt at £11,000 was withdrawn as Mr and Mrs S didn't keep up agreed payments.
- NRAM could have been clearer in its communications. And it could have made reasonable adjustments for Mrs S's needs when contacting her.

The investigator recommended that NRAM pays £150 compensation to Mr and Mrs S for the upset caused.

Mr and Mrs S didn't agree. They said they'd been advised to ask for an ombudsman to review their complaint. Mrs S said NRAM hadn't made reasonable adjustments for her. She asked whether it would now communicate with her in writing.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Where the evidence is incomplete, inconclusive or contradictory, I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

The request to write off the debt

NRAM explained why it didn't agree to write off the balance of Mr and Mrs S's loan. It says it considers each case on its individual circumstances. It says the information it has suggests Mr and Mrs S have disposable income and can afford to make payments towards clearing the debt. NRAM said it was more appropriate to offer an affordable arrangement that would be reviewed every six to 12 months.

NRAM is entitled to use its commercial judgement when deciding whether to write off a debt. It considered Mr and Mrs S's request and the information they provided. I haven't seen anything to suggest it acted unreasonably in making the decision. In the circumstances, I don't think it's reasonable to require it to write off the debt. However, Mr and Mrs S raised some specific concerns about NRAM's decision and I've considered these below.

When NRAM asked for updated income and expenditure information in December 2017 Mr and Mrs S became concerned that it had used out of date information when deciding whether to write off the debt. I don't think this was what NRAM meant. NRAM made its decision whether to write off the debt based on the information Mr and Mrs S provided in mid 2017. More recently, NRAM asked for updated information for the purpose of agreeing a payment arrangement.

Mr and Mrs S say they expect to pay for treatment which isn't paid for by the NHS and will need to make adjustments to their property. I understand why they've earmarked income for this. But they aren't yet making these payments. So I can also understand why NRAM didn't include it as expenditure when making its decision.

NRAM agreed to a cap on Mr and Mrs S's repayments in 2010. This was on the basis they made agreed payments. As payments weren't maintained, the agreement ended. I don't think the cap was relevant to NRAM's decision whether to write off the debt.

The time taken to decide whether to write off the debt

Mr and Mrs S say they asked for debt forgiveness in July and provided all the information requested by NRAM in August 2017. They were given a decision in December 2017. NRAM couldn't make the decision to write off the account itself. It had to make an application to UKAR and UKAR asked for more information. From what Mrs S had said, I think it told her at the outset it might need more information and the process could take some time.

While I think Mr and Mrs S had to wait too long for a decision, I don't think NRAM caused any unreasonable delays. It couldn't tell Mrs S when it would make a decision as it had to wait for UKAR's response. But it could have made better arrangements to keep Mr and Mrs S informed about what was happening.

Communication and the service provided by NRAM

Having read the information provided by both parties, I think there were a number of problems and misunderstandings in their communications.

The adviser dealing with Mr and Mrs S's application wasn't always available when Mrs S called. Mrs S doesn't give out her phone number as her health problems can mean she has problems receiving calls. So the adviser couldn't call her back. I can see how this caused difficulties and added to Mrs S's worry.

Mrs S says NRAM didn't give her reliable information – for instance about its time scales or why her adviser wasn't available when she called. I don't think NRAM intended to mislead or upset Mrs S. But it was aware of her health problems. It could have considered whether any reasonable adjustments could make communication easier and keep Mr and Mrs S updated.

Mr and Mrs S's account is now with a specialist team. NRAM says if their usual adviser isn't available when they call, they can speak to any member of the team.

What should happen now?

For the reasons I've set out above, I don't think it's reasonable for me to require NRAM to write off the debt. NRAM said it will reconsider its decision if Mr and Mrs S provide further information. I think this is reasonable.

NRAM asked for up to date income and expenditure information so that it can agree an affordable payment arrangement. Mr and Mrs S say they need to pay for adjustments to their property and treatment. They say this is on hold as they don't know if they can afford it until the debt is written off. If this is necessary expenditure that they need to make now, I think they should provide more information about it to NRAM.

NRAM agreed to pay £150 compensation for the upset caused by poor communication. Mrs S asked in her response to the investigator's recommendation whether she can send information to NRAM in writing. I don't know if Mrs S has asked NRAM this. The concerns she expressed in this complaint have mostly been about problems in making contact with the right person by phone and having decisions confirmed in writing. I hope Mrs S will find it easier to contact NRAM now the account is with a specialist team. But if there are further difficulties, I'd expect NRAM to consider what reasonable adjustments it can make when communicating with Mrs S.

my final decision

My decision is that I uphold this complaint. I order NRAM Limited to pay £150 to Mr and Mrs S.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs S to accept or reject my decision before 23 April 2018.

Ruth Stevenson
ombudsman