

complaint

Mr B complains that Lloyds TSB Bank plc wrote to him directly about a debt which was included in a debt relief order and that it sold the debt to a firm of debt collectors. Mr B is assisted in bringing his complaint by his relative, Miss B.

background

A debt relief order was made in relation to Mr B which included two debts he owed to Lloyds TSB. The debt relief order meant that Mr B had protection from enforcement action for one year after the order was made, after which time the debts would be discharged.

Mr B complained that he received a letter from the bank in March 2012 (more than 12 months after the debt relief order was made). The bank apologised, paid compensation of £100 for distress and inconvenience and told Mr B that no further letters would be sent. The bank wrote to Mr B again in September 2012 and told him that it has sold the debt to a debt recovery company. Miss B complained on Mr B's behalf and the bank apologised and offered a further £75 in relation to Mr B's distress and inconvenience.

The adjudicator said that the bank's offers were reasonable. Miss B, on Mr B's behalf, did not agree with the adjudicator's view and said that the compensation offered by the bank was insufficient in the particular circumstances of this case.

my findings

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

It is common ground that the bank made errors in writing to Mr B in this case. The correspondence from the bank to Mr B suggests that it misunderstood the nature and effect of the debt relief order. The debt is written off one year after the order is made. Therefore, the bank was also at fault in selling the debt to a debt recovery company after that time.

The remaining issue is the appropriate level of compensation. Under our rules, I am required to determine cases by reference to what I consider to be fair and reasonable in the individual circumstances of each complaint I determine. We can award compensation for loss, distress and inconvenience – to aim to put the complainant back in the position he would otherwise have been in but for anything the bank did wrong.

I have considered this matter carefully and I agree with the adjudicator that the sums already paid and offered by Lloyds TSB are fair. In reaching that view I have taken into account the nature, extent and duration of the distress and inconvenience and the particular impact this had on Mr B.

my final decision

My decision is that Lloyds TSB plc should pay Mr B an additional £75 if this has not already been paid, bringing the total amount of compensation to £175.

Louise Povey
ombudsman

