

complaint

Mr T complains that Bank of Scotland plc (trading as Halifax) sold his debt to a third party, despite having agreed to write off the debt after five years. Mr T also says the debt should be statute barred.

background

In 2007 Mr T's debt was passed to Halifax's debt recovery department. In 2008 Halifax received a letter from a debt management company that Mr T had instructed to act on his behalf. The letter set out an offer to pay £4.33 each month. The last payment that Halifax received was made in December 2008. In early 2009 Halifax passed recovery of the debt onto a third party.

Mr T says that he had signed up with a debt management company and that the debt management company had reached an agreement with all his creditors that after five years of payments any remaining outstanding balances would be written off.

Halifax has said that it would not have agreed to a five year payment arrangement and that any payment arrangement set up by its collection department would have been for between six and twelve months. As such it did not accept that it had agreed to a five year payment arrangement or to write off the debt after five years.

It also said that it did not accept that the debt should be time-barred as there is no timescale *"regarding the repayment of the balance"* and that Mr T was therefore still liable for the outstanding debt.

Mr T did not accept Halifax's position and brought a complaint to this service.

Our adjudicator did not recommend that Mr T's complaint should be upheld. She said that as the bank would not have accepted a five year payment agreement she could not safely find that the bank had agreed to write off the debt after five years.

Mr T did not accept the adjudicator's view and said he wanted his complaint to be determined by an ombudsman.

my findings

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

I have very carefully considered the points that Mr T has made. However, I cannot reasonably agree that there is anything that shows there was an agreement to write off the debt after five years. As such I cannot uphold Mr T's complaint against Halifax.

It appears that Mr T may have been misled by the debt management company he used. If this is the case I would suggest that Mr T contacts the debt management company directly to raise his concerns.

my final decision

My final decision is that I do not uphold this complaint.

Suzannah Stuart
ombudsman