

complaint

Mr R is unhappy that Bank of Scotland plc (trading as Halifax) is pursuing him for an outstanding debt on his credit card.

background

Mr R entered into an agreement with Halifax in August 2011 to pay £150 per month for 12 months to his credit card account. Halifax agreed to suspend charges on the account during the agreement period and reduced the monthly interest rate to 1%. Halifax also agreed to refund £332.91 being the interest and charges levied for June 2011 and July 2011. Mr R made 11 payments of £150 between August 2011 and September 2012. Despite this, Mr R was unhappy that the balance on his credit card account had only reduced from around £10,450 to £9,700 by September 2012.

During this same period Mr R received a refund in respect of payment protection insurance (PPI) premiums, which totalled £4,212.41. Mr R did not use this refund to reduce the credit card debt. However, he did offer Halifax £3,500 in full and final settlement of the debt, but did not receive a response. He is no longer in a position to offer a lump sum payment.

Mr R has another debt to HMRC of around £19,000 and has stated that this takes priority.

Halifax has refunded interest charges for March 2012 and April 2012. It has confirmed that no interest or charges have been debited to the account since September 2012 when the account was defaulted.

Mr R says he is very stressed and unhappy that Halifax is continuing to pursue him for the debt which he feels he cannot repay due to his obligation to HMRC.

The adjudicator did not recommend that this complaint should be upheld. He concluded that Halifax had acted positively and sympathetically in agreeing the reduced payment plan and reducing the interest payable. Mr R disagrees and has asked that his complaint be reviewed.

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 sympathy with Mr R and acknowledge that he feels very upset and extremely stressed as a result of the fact that his debt to Halifax remains outstanding. I also accept Mr R is frustrated by the fact that he cannot see a way to pay off his credit card debt. I am satisfied that he has received confusing advice from Halifax about his options to take out a personal loan to assist him to repay the debt. In fact, Halifax has said he does not meet its lending criteria.

Despite this I am not satisfied that Halifax is at fault in its management of Mr R's account or in the manner in which it has treated him over the past several months. I note Halifax has agreed a reduced repayment arrangement with Mr R in relation to his credit card debt. I also note that Halifax has reduced the interest rate on the account and refunded some of the interest charged. I also note Halifax has not charged any further interest since September 2012. In addition Mr R's PPI claim against Halifax has been settled and all of his premiums plus interest have been refunded.

In all the circumstances, I am satisfied Halifax has treated Mr R in a positive and sympathetic manner as required when a customer is experiencing financial difficulties. I accept Mr R would like to have his debt forgiven or further assistance provided. However, I am unable to make such an order, given that I do not find Halifax to be at fault. I know this will come as a disappointment to Mr R. I would urge him to provide Halifax and its debt recovery agents with an income and expenditure statement, with a view to reaching a further accommodation if possible.

Turning to Mr R's frustration that Halifax suggested he apply for a loan only to then tell him he was ineligible for one, I am unable to find Halifax is at fault. I accept this would be frustrating, but I am satisfied that in all the circumstances the staff at Halifax were more than likely attempting to help Mr R in any way they could, rather than to mislead or disappoint him.

my final decision

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

Zoe Copley
ombudsman