

complaint

Mr and Mrs H complain that Bank of Scotland plc has not responded to their financial difficulties properly and that it has pursued them aggressively for repayment of a business debt.

background

Mr and Mrs H had a business overdraft with Bank of Scotland. They experienced financial difficulties and charges and interest were added to the overdraft. They complained to Bank of Scotland but were not satisfied with its response so complained to this service.

The adjudicator did not recommend that this complaint should be upheld. She noted that Bank of Scotland had reduced the interest rate that it applied on the debt from 23% to 2% and agreed a repayment plan of £1 each month from April 2010 to February 2013. She also noted that it then agreed a revised repayment plan to take account of Mr H's employment.

She was unable to see that the bank had done anything unusual in relation to the outstanding business debt and concluded that it had not behaved unreasonably under the circumstances.

Mr H says that Bank of Scotland's actions infringed many guidelines for collection of debt and that it was him who initiated the repayment of the debt.

my findings

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

Mr and Mrs H's business account had a substantial overdraft in 2010 and they told Bank of Scotland that they were suffering financial difficulties. Bank of Scotland reduced the interest rate payable on the account from 23% to 2% and it agreed to accept monthly repayments of £1. It reviewed the repayment arrangement in 2013 and, based on what was affordable for Mr and Mrs H, the monthly payments were increased to £207 but it froze interest and charges.

Mr H says that Bank of Scotland has pursued him and his wife aggressively for repayment of the debt and that its actions have breached guidelines on debt collection. However, I am not persuaded that there is enough evidence to show that Bank of Scotland has failed to comply with any applicable guidelines or that it has acted unfairly or unreasonably to Mr and Mrs H.

Mr and Mrs H say that Bank of Scotland should refund all interest applied, pay them compensation and agree a long term repayment plan. However, I consider that the actions taken by Bank of Scotland are fair and reasonable in the circumstances. It significantly reduced - and then froze - interest on the debt and it accepted minimal monthly repayments from them. It then agreed higher monthly repayments which took account of the amounts that they could then afford to pay. I therefore do not consider that it would be fair or reasonable for me to require Bank of Scotland to refund any interest, or to pay any compensation, to Mr and Mrs H or to require it to agree a different repayment plan with them.

my final decision

For these reasons, my decision is that I do not uphold Mr and Mrs H's complaint.

Jarrold Hastings
ombudsman