

SPSO decision report



Case: 201704532, Office of the Accountant in Bankruptcy
Sector: Scottish Government and devolved administration
Subject: policy / administration
Decision: upheld, recommendations

Summary

Mr C complained about the way that the Office of the Accountant in Bankruptcy (AIB) investigated an issue regarding debts in his Debt Arrangement Scheme (DAS - statutory debt management scheme introduced by the Scottish Government) Debt Payment Programme (DPP - a programme that allows a debtor to pay off their debt over an extended period of time) after one of his debts was written off by the creditor. Having investigated this matter, the AIB established that the incorrect debt had been removed from Mr C's debt payment plan. The AIB said that inaccurate information in the DAS application had contributed to this error. The AIB apologised to Mr C for the error and offered reassurance that the removal of the wrong debt had not been of detriment to him.

We found that there was limited documentation of the initial investigation carried out once the AIB were informed of an issue with one of the debts. We were unable to find satisfactory evidence to support the AIB's conclusion that the error had not been detrimental to Mr C. Therefore, we upheld this part of Mr C's complaint.

Mr C also raised concern that the AIB did not provide a full response to his complaint. We found that the AIB had not informed Mr C whether he had overpaid his debt payment programme despite this being a point he raised concern about. We also found that the AIB's complaint response indicated to Mr C that it was their intention to make a complaint to the Financial Conduct Authority (FCA) regarding issues experienced with one of the creditors. The AIB acknowledged that when it subsequently became apparent that this would not be possible, they should have updated Mr C. We upheld this part of Mr C's complaint.

Recommendations

What we asked the organisation to do in this case:

- Apologise to Mr C for not appropriately investigating his concerns regarding a mistake in his Debt Payment Programme, and not providing him with a full and objective response to his complaint. The apology should meet the standards set out in the SPSO guidelines on apology available at www.spsso.org.uk/leaflets-and-guidance.
- Provide Mr C with an explanation regarding how the payments made to one of his debts after it should have been removed have been accounted for, including whether the payments have been returned and reallocated to other debts. Revise the spreadsheet used to calculate the balance of Mr C's DPP and provide him with a copy. Provide Mr C with a summary of the administrative and communication issues experienced with creditors throughout the DPP so that he is able to make an informed decision about whether to make a complaint to the FCA.

What we said should change to put things right in future:

- Investigations into issues with debts or payments within a debt payment plan should be adequately documented in the customer's case notes.

In relation to complaints handling, we recommended:

- A complaint investigation should aim to establish all the facts relevant to the points made in the complaint and to give the customer a full, objective and proportionate response.