

## **The complaint**

Mrs F complains that PRA Group (UK) Limited sent her contradictory information about a debt.

## **What happened**

Mrs F says that she received a letter from PRA in October 2019. She says the letter advised her that it had purchased a debt that was in her name. She said the letter said she owed nearly £500. She said this came as a shock to her as the debt had been written off.

She says the letter also said that she didn't owe any money. She said she called PRA to question this, and the call handler was rude to her. She said that after she complained, PRA apologised because it said the letter was confusing. She said it wasn't confusing, but wrong as she didn't have any outstanding debt.

She said she found this very upsetting, because she thought her financial troubles were behind her when she obtained a debt relief order (DRO).

PRA says that it sent her the letter as it was legally obliged to tell her that it was now the new owner of the debt. It said the letter also explained it was now responsible for her data, and the rights and responsibilities of reporting the account to the Credit Reference Agencies. It said the letter had confused Mrs F because it included a balance. It said it was sorry for the upset this caused, and offered £50 for this.

Mrs F didn't accept this and brought her complaint to this service. One of our investigators looked into this and didn't uphold her complaint. She appreciated the upset the letter had caused Mrs F, but she said that PRA's response to her complaint was fair and reasonable.

Mrs F disagreed and asked for an ombudsman decision.

## **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I'm not upholding this complaint, for the same reasons as our investigator.

Mrs F's main complaint is regarding the contents of the letter she received. The letter included a section with the heading "*what you owe us*". PRA accepts that this section was completed with the amount of the old debt. It also said it included a second copy of the letter in the same envelope, and this version showed that she didn't owe anything to PRA. Mrs F says she only received the version of the letter with the information that she did owe money - I hope Mrs F has now been provided with the other version of the letter which shows she doesn't owe any of the debt.

I've looked carefully at the letter Mrs F received. I appreciate she found it upsetting, because she'd rightly believed she didn't owe any money after her DRO ended, but I'm satisfied there

was sufficient information in the letter to allay her fears. The main heading of the letter says in block capitals "*this is not a payment demand*". And I'm also satisfied it made clear to Mrs F she didn't need to take any action as it said:

*"Your existing arrangements with your creditors are not affected by this change and we will be in touch with your insolvency practitioner directly to let them know of this change. There is no need to take any action upon receipt of this letter".*

So, whilst I accept the letter stated an outstanding balance, I'm satisfied the information and instructions in the letter were sufficiently clear and prominent to assure her she didn't need to take any action. And if she was unsure, she was pointed towards a frequently asked questions page, and invited to call if she wanted to do so.

Mrs F also asks why PRA said it was legally required to provide the information. She asked this because none of her other creditors had written to her in this way. As a regulated business, PRA has to follow the rules set out in the Financial Conduct Authority's handbook, which can be found on the FCA's website. The rule explaining what a business must do when it purchases a debt is set out in CONC 6.5. It requires businesses to issue a "*Notice of Assignment*" to inform the customer it's the new owner of the debt.

It's still required to notify the customer even where the debt has been written off following a DRO. An explanation of how a DRO works can be found on the website of the Citizens Advice Bureau. It confirms that creditors can contact customers after a DRO ends to give information about the account, and to follow rules that require it to send certain information.

So I'm satisfied that PRA was required to send the information it did to Mrs F.

I appreciate this was an upsetting experience for Mrs F, especially after she'd taken steps to clear her debts through the DRO. But I'm satisfied that PRA acted fairly in issuing a notice of assignment to Mrs F. I'm also satisfied that it made a reasonable offer of £50 for the upset caused to her. It's up to Mrs F to decide whether or not she wants to accept that offer, but I won't be asking PRA to do anything more.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 21 May 2020.

Gordon Ramsay  
**Ombudsman**