

## **The complaint**

Ms O has complained about the handling of her debts by a debt collection agency, Arrow Global Limited.

## **What happened**

Ms O fell into financial difficulties and in 2010 she set up payment arrangements on two of her credit cards, each for £20 per month. Her debts were sold to Arrow Global in 2017 and, following a series of letters, Ms O's debts were referred to solicitors in early 2019. I'll refer to the two accounts as account A and B. The balance on account A was in the region of £2,000 and the balance on account B was around £7,000.

Ms O complained to Arrow Global in March 2019. She raised various concerns about the ownership and administration of her debts. Arrow Global replied in early April to acknowledge Ms O's complaint and said all collections activity would stop until they issued their final response – which they did in late May. Arrow Global upheld some of Ms O's complaint points, and sent her a cheque for £100.

In early May 2019, Ms O received a county court claim relating to account B, and a letter from the solicitors saying that they were taking her case to court. She sent her defence statement to the court later that month.

In early June 2019, Ms O completed an income and expenditure assessment with the solicitors, and they agreed that she would continue her £20 per month payment on account A. During that month various discussions took place about a possible settlement of the debt – Ms O offered £300 and Arrow Global said they would be willing to accept £500. The solicitors wrote to Ms O on 25 June 2019 to offer to settle the debt for £500. And then, on 2 July 2019, they wrote again, offering to settle the same debt for nearly £1,600.

Ms O complained to Arrow Global again. She said she felt harassed and that she'd kept to the payment arrangement made. She said the situation was causing her stress and making her health situation worse. Ms O complained about the unclear information from the solicitors about the settlement figure. She also complained about some payments being taken twice.

Arrow Global replied in early September. They partially upheld Ms O's complaint and sent her a cheque for £150. But they didn't think Ms O had been harassed.

Ms O wasn't happy with Arrow Global's reply and brought her case to us. She said she was complaining about five things:

- Arrow Global appointing solicitors without telling her
- Harassment from Arrow Global and their solicitors
- There hadn't been any acknowledgement that Ms O had never missed payments
- She'd been provided with incorrect statements and in some months her £20 payment had been taken twice when it shouldn't have been
- Arrow Global hadn't treated her offer of £300 to settle the debt fairly

During our investigation, in October 2019, Ms O received further letters from the solicitors about going to court in respect of account BB. She was upset that she'd received these even though she'd been told her account was on hold.

Our investigator looked into Ms O's complaints. Her view was that Arrow Global had compensated Ms O fairly for the errors they'd made, and she didn't think that their behaviour constituted harassment. But she thought Ms O shouldn't have received the letters from the solicitors in October 2019 and that Arrow Global should pay an additional £50 to Ms O to compensate her for the upset this caused.

Arrow Global disagreed with our investigator's view. They said they'd only put account A on hold because this was the only one Ms O had complained about. Our investigator didn't agree and so the case has come to me.

### **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've decided to partially uphold Ms O's complaint and to ask Arrow Global to pay an additional £50 to Ms O. I'll explain why.

I've looked at Ms O's five complaint points set out in bullet points above and I'm not upholding these. I don't think Arrow Global have done anything wrong in this respect and I'll explain further below. But first I'll explain my findings in relation to Ms O's additional complaint that Ms O received letters from the solicitors in October 2019 when she'd been told her account was on hold.

#### *Suspension of Ms O's accounts*

I can see from Arrow Global's files that although Ms O's complaints were only logged against account A, there are notes that show the complaints also related to account B. This is consistent with what Ms O told us – that she was complaining about both accounts. In addition, as part of Ms O's complaint is about harassment, I think it's important to consider the whole relationship between Arrow Global and Ms O – this means it's important to look at both accounts.

Because of this, I'm satisfied that both accounts should have been placed on hold while we investigated Ms O's complaints. I can see that account B wasn't placed on hold and the letters sent to Ms O in late October 2019 caused Ms O additional stress and anxiety.

#### *Appointment of solicitors*

Ms O's complained that Arrow Global appointed solicitors without telling her. However, I can see that Ms O was sent letters in relation to both accounts in mid-December 2018 and again in early January 2019. The December letters told Ms O that she needed to get in touch to discuss her repayments. The January letters told Ms O that if she didn't get in touch by 23 January 2019 her accounts would be passed to solicitors. On 26 January 2019, Ms O was sent a further letter in relation to each account confirming that the accounts would be passed to solicitors. So, I can't say she wasn't told of the appointment of solicitors.

#### *Harassment from Arrow Global and their solicitors*

I have carefully considered the volume and content of communication from Arrow Global and their solicitors to Ms O. And I've looked at what the Financial Conduct Authority says in its Consumer Credit Sourcebook about how firms should collect debts (CONC 7).

I appreciate that Ms O paid £20 each month for several years in respect of each of her accounts and had not missed any of these payments. So, I can imagine that she was stressed and upset when Arrow Global got in touch in December 2018 and said they wanted to review her circumstances. And I can imagine how stressful this situation became when court proceedings were issued against Ms O. But I'm satisfied Arrow Global gave Ms O fair warning and notice of the proceedings. I can see that at each step they gave her opportunities to get in touch and discuss repayment plans. And they suggested debt counselling agencies that might be able to help her. I'm satisfied that their actions were in line with the rules set out in CONC 7.

I can't describe the correspondence Ms O received as harassment. I can see that because she had two Arrow Global accounts with the solicitors, most of the correspondence was duplicated. It might have been helpful and less confusing for Ms O if Arrow Global and their solicitors had instead treated Ms O as one customer with two accounts. But overall I'm satisfied they treated her fairly and didn't communicate excessively or in a threatening way.

#### *No acknowledgement that Ms O had never missed payments*

I can see that part of the reason Ms O is upset about all this is because she had been paying consistently for around 10 years and she didn't feel this had been acknowledged by Arrow Global and their agents.

But I can see that the December 2018 and January 2019 letter to Ms O clearly told her that her payments were effectively an informal arrangement and wouldn't prevent legal proceedings. At this stage the debt was due in full until Ms O agreed a new formal payment plan with Arrow Global and that's why she was told she'd failed to make payments.

#### *Incorrect statements and taking payments twice*

Arrow Global addressed these points in their letters dated 20 May 2019 and 4 September 2019. I've reviewed their responses and I'm satisfied they've covered Ms O's concerns and that the compensation they've paid for these errors is fair.

#### *Settlement offer of £300*

Ms O offered £300 to settle account A in June 2019. At the date of this offer, her debt on this account was about £2,200. Arrow Global said they couldn't accept £300 but would accept £500 to write off this debt. I'm satisfied Arrow Global considered Ms O's offer. I can see Ms O couldn't afford to pay more. And I can see that Arrow Global agreed to a formal repayment plan for Ms O to continue paying £20 per month on this account. While I appreciate that Ms O would have liked Arrow Global to write off the debt for £300, I'm satisfied they've treated her offer fairly and so I won't be telling them to accept the offer.

#### **Putting things right**

Arrow Global have paid Ms O £250 compensation for the distress and inconvenience caused to her by their poor customer service and account handling. I'm satisfied that's a fair outcome for the issues they acknowledged in their letters dated 20 May 2019 and 4 September 2019. I can see Ms O's health has suffered as a result of Arrow Global's failings, but I think this is a fair reflection of the errors made and the impact of those on Ms O.

But I'm directing Arrow Global to pay an additional £50 to Ms O. That's because they continued with legal proceedings on account B when Ms O thought her accounts were on hold. As set out above, I'm satisfied it was fair for Ms O to expect both accounts to be on hold. And she's told us of the additional stress and anxiety caused by the October letters about continuing legal proceedings. The account was placed on hold shortly after – which is why I'm satisfied £50 is sufficient compensation.

### **My final decision**

As I've explained above, I'm partially upholding Ms O's complaint. Arrow Global Limited need to pay an additional £50 to Ms O.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 13 July 2020.

Clare King  
**Ombudsman**