

## **The complaint**

Mr M has complained that Target Servicing Limited (Target) is pursuing him for payment of a loan. Mr M doesn't believe Target is entitled to seek payment. He is asking Target to pay compensation.

## **What happened**

In 2008 Mr M took out a secured loan with a business which is no longer trading, which I will call WF. The loan was transferred to another business (CFS) in 2018. Target administers the loan on behalf of CFS.

In 2011 Mr M entered into a trust deed (a formal payment arrangement) with his creditors. This was discharged in 2016. The loan was not included in the trust deed.

Mr M said he looked into the background of WF and checked the land registry. He discovered his loan hadn't been registered. Mr M believes the loan is unsecured and should have been included in his trust deed – and so should have ended in 2016.

Mr M has now stopped making payment on the loan. He is unhappy that Target has reported adverse information about this on his credit file. Mr M also made a Data Subject Access Request (DSAR) and is unhappy with the response from Target. Mr M complained to Target.

Target didn't uphold the complaint. It explained that it had only taken over administration of the loan in 2018 and so wasn't responsible for anything that had happened before that – including any issues with the land registry. Target explained that Mr M was bound by the loan agreement and legal charge.

Dissatisfied with Target's response, Mr M contacted the Financial Ombudsman Service. An investigator looked at the complaint. He explained to Mr M that Target wasn't responsible for anything that happened before the loan was transferred to CFS in 2018. This included Mr M's concerns about the original lender and registration of the legal charge, and whether or not the loan should have been included in Mr M's trust deed.

With regard to the issues that did fall within Target's remit, the investigator was satisfied that Target was entitled to report adverse information to credit reference agencies where payments had been missed. The investigator noted the length of time Target had taken to respond to Mr M's DSAR. He recommended a payment of £100 for trouble and upset relating to this.

Target accepted the investigator's findings, but Mr M did not. He acknowledged that the bulk of his grievances were actually with the original lender and his insolvency practitioner. But he nevertheless maintained that CFS was not entitled to recover the debt from him.

As the matter remains unresolved, it falls to me to issue a final decision on it.

## **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.

Having done so, I've reached the same conclusion as the investigator, for broadly the same reasons.

I've noted the points Mr M has made about his concerns relating to the validity of the loan. I will explain here that questions of whether or not a loan is valid and binding on Mr M is really a matter for a court, not the Financial Ombudsman Service. But in any event, the loan was taken out in 2008 and Target has only been responsible for administering it since it was transferred to CFS in 2018. I note Mr M has acknowledged that much of what he is concerned about pre-dates this and so isn't the responsibility of Target or CFS.

Given this, any concerns Mr M has about the validity of the original loan isn't something that falls within the scope of this complaint – which is about how Target has administered the loan since 2018. In relation to this complaint, I'm satisfied that there is a secured loan agreement and a legal charge. In the circumstances, I'm satisfied that Target is entitled to ask Mr M to continue to pay the loan.

Mr M has not been making payments, and is upset that Target has reported missed payments to the credit reference agencies. But Target is under an obligation to provide accurate information about the payment history on an account. In the circumstances I don't think Target has done anything wrong in reporting missed payments against Mr M.

### **Putting things right**

I'm glad Target has acknowledged it took too long to respond to Mr M's DSAR. I agree with the investigator that a payment of £100 is fair and reasonable for this.

### **My final decision**

My final decision is that Target Servicing Limited must pay Mr M £100 compensation for delay in responding to his DSAR. I make no other order or award.

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any correspondence about the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 14 December 2020.

Jan O'Leary  
**Ombudsman**