

The complaint

Mr R complains that Paragon Finance PLC trading as Idem Servicing (Idem) is unfairly pursuing him to repay a debt it acquired from another business in 2013.

What happened

Idem says it acquired a debt in Mr R's name in relation to a closed overdraft in March 2013. Idem and the original lender sent Mr R notices of assignment (NOAs) confirming the new arrangement on 27 June 2013. The NOAs said the date of sale was 21 March 2013 and that the balance on that date was £639.10.

Between June 2013 and May 2018 Mr R made repayments to the outstanding balance, reducing it to £250.41 in May 2018. For much of this period, Mr R's repayments have been made via third party debt advice services.

Mr R asked for a copy of his original credit agreement but Idem wasn't able to obtain it. Idem's letter dated 18 June 2018 said the agreement couldn't be enforced but that it still expected Mr R to repay what he owes.

Mr R complained as Idem failed to provide a copy of the original credit agreement or provide statements in accordance with the Consumer Credit Act 1974 (CCA). Mr R has raised various concerns about the fairness of Idem's decision to collect the debt from him. Idem didn't agree that it had acted in error and Mr R's complaint was referred to our service.

An investigator reviewed the complaint but thought Idem had shown that it had acquired the debt in 2013 and that it had treated Mr R fairly. The investigator didn't uphold Mr R's complaint and his representatives asked to appeal.

In response, Mr R's representative said they thought it was unfair for Idem to continue to pursue him for the debt that is unenforceable. They also said Idem had failed to take steps to check there was an agreement in place between Mr R and the original lender. Mr R's representative also said that Idem's collections activity had been unnecessary as it was aware he had instructed them to complain on his behalf. As Mr R asked to appeal, his complaint has been passed to me to make a 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.

Idem has confirmed that the debt isn't enforceable because it can't provide a copy of the original credit agreement. Mr R's representatives say that because the debt is unenforceable and Idem can't be sure on what grounds he borrowed from the original lender, its decision to pursue him for the debt is unfair.

I'd like to thank Mr R's representatives for the level of detail included in their submissions. If I haven't specifically referred to each and every point they've made it isn't because I haven't

considered it. I've reviewed everything on file. But my decision will focus on what I consider to be the key issues of Mr R's complaint. My approach reflects the informal nature of this service.

As Mr R's representative is aware, it's not the role of our service to say whether or not a debt is enforceable in court. Our role is to consider a business' actions and whether it has treated a consumer fairly. I'll consider all the rules and regulations in place when reaching my decision, but the decision will be made on a fair and reasonable basis.

In this case, all parties accept the original credit agreement isn't available – and Idem says that means the debt isn't enforceable. But there is a lot of other information on file that indicates Mr R was aware of the debt and has been willing to make repayments over an extended period. I've seen statements going back to 2011 that show Mr R was making monthly repayments towards the defaulted debt before it was acquired by Idem. The statements show that Mr R continued to make repayments over the period, in 2013, when his debt was acquired by Idem. I note that many of Mr R's repayments have come via debt advice services that have acted for him.

In addition, the contact notes show that at various points Idem has considered Mr R's financial circumstances after receiving information from the third parties acting on his behalf.

I've also seen the NOAs sent to Mr R by the original lender and Idem. They both contain the same information about the outstanding balance and confirmation that Idem had taken over management of the account.

Taking all the available information into account, I haven't been persuaded that Idem has acted unfairly by attempting to obtain repayment from Mr R. The information I've seen indicates there was a debt with the original lender that was acquired by Idem. No interest or charges has been applied since at least 2011, and between 2013 and May 2018 Mr R made monthly repayments to substantially reduce what he owes. I haven't seen any evidence to support the claim that the balance Idem purchased was wrong or that it failed to carry out reasonable checks.

Mr R's representatives have said that Idem has acted unfairly and aggressively tried to collect the debt from Mr R. I can see that, once Mr R stopped making repayments, Idem started to regularly contact him about the outstanding debt. But I think that reflects the decision not to continue with repayments. I understand Idem has called, written and texted Mr R on a regular basis, but I haven't found that its actions have been aggressive or unreasonable. Whilst I note Idem has confirmed the debt isn't enforceable, I'm satisfied there is an outstanding balance and that Idem has reasonable grounds to contact Mr R to request repayment. And whilst I understand Mr R did complain, that doesn't mean Idem had to stop contacting him about the outstanding balance.

Overall, I'm satisfied Idem has treated Mr R fairly and I haven't found its decision to pursue him for the outstanding balance was wrong. As I'm satisfied Idem hasn't made an error and has dealt with Mr R's case fairly, I'm not telling it to take any further action.

My final decision

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 2 December 2020.

Marco Manente
Ombudsman