

The complaint

Ms O is unhappy that Hoist Finance UK Limited (Hoist), are noting that she needs to pay it an amount of £8,441.60 for outstanding debts it is collecting.

What happened

Ms O has said that in May 2019 she received communication from Hoist – noting that she needed to pay an outstanding balance of £8,441.60 for debts it had purchased, and that had not been settled. At this point, Ms O was concerned – because she didn't feel it was correct that she owed the debt. So, she contacted Hoist.

Ms O explained to Hoist that she felt the amount Hoist were asking to be paid was statute barred, and therefore she didn't owe this amount to it. Hoist responded to Ms O's complaint. It said that a county court judgment (CCJ) had been issued for the debt owed in 2014, so the debt owed wasn't statute barred, and Ms O did owe the money.

Because Ms O was dissatisfied with Hoist's response, she referred her complaint to this service for an independent review.

In her submissions, Ms O said that the CCJ against her had been set aside, as Hoist had written to the wrong address in respect of the debt – and that Hoist knew this. She said that after the CCJ was set aside in 2018 she didn't hear anything further from Hoist chasing any outstanding debt until May 2019, when it got back in contact with her. Given this, she again noted that she considered the debt to statute-barred.

In addition to this, Ms O said that the amount Hoist were trying to pursue her for was incorrect. She said the account the debt referred to – which was an overdraft on a bank account – should only sit at £292. So, she couldn't see where the £8,441.60 had come from.

Our investigator considered this complaint and thought it should be upheld in part. He said that it wasn't for this service to decide whether the debt in this case was enforceable or not. That was for a court to decide. But our investigator noted that he could decide whether it seemed fair for Hoist to pursue the money it was saying was owed.

Our investigator said it was reasonable for Hoist to pursue the money – which he said Hoist had evidenced was made up on three accounts – two bank accounts and a loan that had been amalgamated. However, he thought that Hoist could have been clearer about what the debt was made up of when Ms O questioned it in May 2019. He said not clarifying this caused avoidable trouble and upset to Ms O, and recommended Hoist pay Ms O £150 compensation.

Neither party responded to our investigator's opinion on the matter. So, this complaint has been referred to me to decide.

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 decided to uphold this complaint in part. I've explained why below.

Firstly, it is important to note I'm aware Ms O made a previous complaint around Hoist filing a CCJ against her. Ms O said the CCJ had been unfairly decided, as she hadn't received letters about the debt – they had been sent to a previous address. This previous complaint isn't the subject of this case – so I won't be discussing that in this decision.

Instead, I'll only be considering what happened when Ms O received contact from Hoist in 2019, regarding the outstanding amount it said she owed. At this point, the CCJ had been set aside.

In 2019 Ms O said she didn't think the debt was enforceable any longer. It isn't for this service to decide whether a debt is enforceable or not. Enforceability is a matter for the court. So, I also won't be deciding on this point. But Ms O is unhappy she is still being pursued for the debt – and that is something this service can consider. So, I've thought about whether Hoist has acted fairly and reasonably by contacting Ms O and asking her to pay the outstanding amount it said is owed.

Hoist has provided information to show what the debt is made up of, and how much was owed on these accounts. It has given me account statements, which show debts it purchased, which were for two outstanding overdrafts, and a personal loan. Ms O hasn't disputed these accounts were hers. And given the evidence Hoist has provided to show the accounts in Ms O's name, I'm satisfied it is reasonable for Hoist to pursue the debt.

Ms O has disputed the amount owed. And this wasn't previously responded to, in Ms O's earlier complaint about the CCJ applied. Ms O did raise her concerns about the amount Hoist said was owed – given she didn't feel it was payable. So, I have also thought about whether the amount Hoist is saying is payable is fair. And I think it is.

I say that because from looking at the account statements for each outstanding debt, I'm aware there was a balance of £8,200.16 left to pay on the personal loan. And on the two bank accounts, amounts of £994.98 and £134.40 were owed respectively. So, the total owed at this stage was £9,259.38.

Ms O said she paid some further funds off one of the bank accounts, and has provided evidence to show payments she made, totalling £702, which reduced the account which £994.98 was initially owed for. But I don't think this makes a difference to the outcome of the complaint. Ms O is being pursued for an amount of £8,441.60. And given the information above, this suggests the further amount she paid off has been taken into account when Hoist is asking for payment. So, I don't think the balance of £8,441.60 that Hoist are asking for is incorrect.

Ms O has also noted that she feels the problems she experienced when raising her concerns in 2019 caused her stress and upset. She said the fact Hoist told her the CCJ was still in operation was confusing – because she knew it had been set aside. And on looking at the email Ms O sent Hoist when noting in May 2019 that the debt was unenforceable, I think it would have been helpful for Hoist to tell Ms O what the amount owing was made up of.

Hoist has said it did send Ms O a letter about this in 2017. But, having seen a copy of that, I'm aware it was sent to the incorrect address, so this wouldn't have reached Ms O.

Putting things right

With the trouble and upset Ms O experienced in mind, I do think it would be reasonable for Hoist to pay Ms O £150 compensation. I say this because I'm satisfied it fairly recognises the trouble and upset Ms O experienced in not being sure what the outstanding balance was made up of.

My final decision

Given the above, my final decision is that Hoist Finance UK Limited, should pay Ms O £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 12 March 2021.

Rachel Woods
Ombudsman