

## **The complaint**

Mr F has complained that Debt Managers (Services) Limited are chasing him for a debt he says he doesn't owe.

## **What happened**

In May 2019, Debt Managers bought a defaulted loan debt from the original creditor, and sent a notice of assignment to Mr F.

Mr F initially emailed Debt Managers to say that he was not Mr F. He then disputed that the debt was his, and asked for a deed of assignment. He explained he was vulnerable and asked Debt Managers to contact him only by post.

In response to his complaint, Debt Managers agreed to only communicate with Mr F by post. They sent him documents to show the debt was his, but explained that the deed of assignment wasn't relevant. They asked to go through his circumstances so they could arrange affordable repayments. They put the debt on hold to give him time to review things.

Mr F came to our service. He felt that Debt Managers were harassing him for a debt that they couldn't show was his.

Our investigator looked into things independently and didn't uphold the complaint. He explained that we couldn't decide the legal enforceability of the debt; only a court could. But based on the evidence, this did appear to be Mr F's debt that Debt Managers had bought. He didn't feel that Debt Managers had dealt with Mr F inappropriately, and explained they had a valid reason to contact him.

Mr F didn't agree, so the complaint's been passed 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.

I can understand why Mr F would like to make sure that he really does owe the debt to Debt Managers, as he wouldn't want to pay the wrong company.

As our investigator explained, whether or not the debt is legally enforceable is a matter for a court to decide – that's not something I have the power to determine. Though I would warn that if something seems too good to be true, it often is –so I'd be wary of any online sources that make big promises about clearing debts using obscure legal arguments. I'd recommend seeking properly qualified legal advice before going down any court route.

I can look at whether it's reasonable for Debt Managers to chase this debt – and I think it is. I've looked carefully at the evidence, including Mr F's credit agreement, the statement of account, and the notice of assignment. I can see that the account references match, and the original creditor wrote to confirm that they sold this debt to Debt Managers.

The loan was for goods due for delivery to Mr F's address in his name, and the direct debit was set up using a bank account in his name. Genuine contact details for Mr F were on the account, and correspondence was sent to his address. And Debt Managers say they weren't told about any dispute with the original creditor. Lastly, I've not seen any compelling evidence to suggest that this is *not* Mr F's debt. So I think it is his debt. And so I think it's fair that Debt Managers are pursuing him for it.

I can understand if there was some confusion for Mr F, as the original creditor's name was different to the trading name of the place he bought the goods. Further, from his perspective, his debt was with the original creditor rather than Debt Managers. But debts can and do get sold on – it's quite normal. And now that Debt Managers have bought this debt, it means that Mr F owes the money to Debt Managers instead of the original creditor.

Debt Managers sent the relevant notice of assignment, which I think is sufficient to show that they now own the debt. It's not clear why Mr F also wants to see the *deed* of assignment, which is a private document between Debt Managers and the original debt owner. Debt Managers explained that the deed contains sensitive information between them and the creditor. Whereas the deed does not contain any of Mr F's personal data, and Debt Managers have no obligation to provide it to him. So I think it's reasonable that they haven't.

I appreciate that Mr F is in a vulnerable position, and that he found it threatening being chased for a debt. But Debt Managers do have a legitimate reason to be getting in touch with him, and it's reasonable for them to ask Mr F to pay back the debt he owes them. I can't see that they've communicated with him particularly excessively or unreasonably. And since Mr F said he was uncomfortable with other forms of communication, Debt Managers have now agreed to only speak to him by post, as he asked.

When dealing with a vulnerable customer, I would expect a business to act positively and sympathetically. But that doesn't necessarily mean writing off the debt or stopping all communication. Here, Debt Managers have agreed to deal with Mr F in writing, asked for his consent to tell their staff about his vulnerable situation, put things on hold to give him space to work things out, and tried to work out affordable repayments with him. That doesn't seem unreasonable in this situation.

I hope I can reassure Mr F that Debt Managers still have a duty to deal with him appropriately. He might want to contact Debt Managers to see what assistance they might be able to offer him. I've also sent him the details for charities who can give him free advice and help dealing with his debts. And he can always get back in touch with our service as a separate complaint if he subsequently feels that Debt Managers aren't taking his situation into account when working out how to repay the debt.

But as things stand now, I've not found that Debt Managers have acted unfairly, and I think it's reasonable for them to ask Mr F to repay the debt he owes.

## **My final decision**

For the reasons I've explained, I don't uphold Mr F's complaint in this particular case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 18 November 2020.

Adam Charles  
**Ombudsman**