

The complaint

Mr H complains about the way in which Moorcroft Debt Recovery Limited is chasing him for a debt. He says he feels threatened by the letters it sent him and wants it to stop its aggressive policies.

What happened

Mr H tells us that in January 2020 he received a letter from Moorcroft about a debt he owed. And that he found the letter to be threatening and mentioned that agents may call at his house. He says he suffers from ill health and that this has deteriorated as a result of the way in which Moorcroft has contacted him. He says that he'd previously told Moorcroft of his health issues.

Moorcroft told us that it had followed the industry's standard procedures and debt recovery guidance. And that it wanted to assist all its customers to help them with repayment discussions. It said it hadn't been aware of Mr H's health issues until the present complaint was made. But that once a customer had been identified as vulnerable it's Customer Care Team would manually review the account to ensure that appropriate contact was maintained. It explained that it had agreed an affordable repayment plan with Mr H in November 2019. But that he had not kept to it or contacted Moorcroft. It said that the letter sent to Mr H in January 2020 had been to inform Mr H of alternative means of contact. And that before the arrangement, the last payment received on the debt had been in May 2017.

Our investigator didn't recommend that the complaint should be upheld. She said that as she couldn't see that Mr H had responded to Moorcroft's previous communications, she didn't think it was unreasonable for Moorcroft to seek recovery of the debt. And that she didn't find that the content of the letters was unreasonable.

Mr H didn't agree with this outcome and said he'd previously told Moorcroft of his health problems. As it's not been possible to resolve this complaint an ombudsman's been asked to make the final 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.

I empathise with the difficulties that Mr H has experienced with his health.

I accept that whilst debt can be a stressful experience for anyone, it's likely to have a greater impact on those who have additional adverse health problems to deal with. There's very little factual dispute here about the debt itself which Mr H accepts is owed by him and has been ongoing for several years. So I'll concentrate on the issues raised about how Moorcroft has tried to collect the debt.

I need to make a few general points before dealing specifically with what's happened here.

Where a customer owes a debt, we wouldn't find it unreasonable for a business to contact that customer in order to seek repayment. We would always expect a debt collection business to treat a customer fairly and take into account anything it knew about the customer's health and financial situation. And to act positively and sympathetically based upon the customer's individual needs.

Mr H's complaint was made after he'd received letters in January 2020 which warned about the account being defaulted. I've been provided with a history of contact between Mr H and Moorcroft since 2016, when it took over the collection of the debt. It would be fair to summarise these notes by saying they showed there had been a history of failed direct debits, and letters from Moorcroft including those warning of default. But between May 2017 and January 2020 no payments were made by Mr H.

I don't think it unreasonable that Moorcroft should seek to write to Mr H about the debt. The content of the letters was factual and reasonable in tone and frequency. I also don't think that referring to the possibility of home visits being made is unreasonable if other means of contact have proved unsuccessful. And particularly so when it was made clear that any visit could be avoided by the re-establishing of contact.

I've also seen that at various stages Moorcroft put collection activity on hold whilst trying to arrange for payments to be made by direct debits.

I've not been provided with any documentary information from Mr H to show that Moorcroft was made aware of his health issues prior to this complaint. He indicated he would be able to send a copy of a letter advising when he did so. Whilst I've extended the period for this to be supplied, I've not yet received this.

I've also checked the records with which I've been provided from Moorcroft and none of its contact notes indicate that prior to this complaint it was aware of Mr H's ill health.

My overall impression is that Moorcroft has shown forbearance as well as trying to treat Mr H positively even when it seemed it was not aware of his health issues. And that now that it has been made aware, I've seen that a regular standing order appears to have been agreed. And that this has been successful, in that monthly payments have been made each month from June 2020 until October 2020 – which is the last statement of account I've seen.

As payments have now been resumed, this should mean that correspondence will be kept to a minimum. And whilst payments are maintained I'd expect it to comprise of only those contacts which are required by law (such as periodic account statements) and checks to ensure that the amount of the repayments remains affordable for Mr H. Hopefully this will alleviate any stress Mr H may feel about being contacted about this debt.

In summary, I find that Moorcroft hasn't done anything wrong here, and that it's worked to assist Mr H in agreeing a suitable way in which this debt can be sustainably repaid. Accordingly, I'm not upholding this complaint.

My final decision

For the reasons given above my final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 19 January 2021.

Stephen Ross
Ombudsman