

The complaint

Mr E's unhappy with the actions of Advanced Payment Solutions Ltd (APS) in relation to a debt they held for him.

What happened

I issued my provision decision on this complaint on 2 October 2020. In it I said:

On 6 February 2018 Mr E obtained a Debt Relief Order (DRO). His outstanding debt with APS was included within this order. The effect of the order was twofold: first, that it created a moratorium under which all creditors suspend efforts to obtain repayment; second, that after it was completed a year later Mr E was discharged from his liability to pay the outstanding balances and they became an unrecoverable debt. In the letter Mr E received from the Insolvency Service confirming this, they said APS had been told about this.

Despite this, APS kept chasing him for the debt, and recorded adverse payment information on his credit file. Because of this, Mr E complained to APS – and when they didn't reply he contacted us and asked us to look into things.

APS said they hadn't had a chance to look into things, and then responded to the complaint in October 2019. They said on 2 October 2017 Mr E had written to them, enclosing an income and expenditure form, but didn't say anything about a DRO at the time. The account was frozen at this time – but then in December 2018 as they'd heard nothing, they took the freeze off the account to allow payments to be made. In August 2019 they were given Mr E's DRO number but couldn't verify it due to the time that had passed. They didn't uphold his complaint and asked for a copy of the DRO to be sent to them as they hadn't received it.

Mr E was still unhappy, so we looked into his complaint. One of our investigators asked for further information on multiple occasions but received nothing. So, on the information we had which mainly came from Mr E, the case was upheld. Our investigator said APS should write off the debt, stop chasing it, stop any other party chasing it, amend Mr E's credit file and pay £300 compensation.

APS then took several months to confirm they accepted this outcome, and then further time to pay the compensation of £300. But APS have never confirmed they've carried out any of the other actions. Mr E has confirmed he accepts the outcome our investigator came to – and more recently has said only the credit file amendments need to be done. Mr E also wants an apology. Because APS seemingly didn't complete all of the actions they agreed to, the complaint's been passed to me to decide.

What I've provisionally 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.

APS replied and confirmed they accepted the outcome reached by our investigator. I've not seen anything to suggest the complaint being upheld would be unfair on APS, so given that, I'm going to focus on what I think they need to do to put things right for Mr E.

Our investigator said APS should write off the debt, ensure the debt isn't chased anymore, amend Mr E's credit file and pay £300 compensation.

But I think slightly different actions would be appropriate. I say this because it's not for me to order APS to write off the debt. This debt was part of the DRO meaning Mr E's liability to repay it was extinguished when he was discharged in February 2019. So, it'd be more appropriate to say APS need to update their records to show Mr E ceased to owe the debt following his discharge under the DRO in February 2019.

This also applies to any information APS has reported on Mr E's credit file. APS will need to update it to show the same information – that he was no longer liable to make payments towards the following his entry into the DRO in February 2018, and that he ceased to be liable for it at the end of the DRO 12 months later.

As Mr E is no longer liable to repay the debt, APS will also need to ensure, if they haven't already, that they'll no longer chase the debt themselves – and ensure that any other parties they have engaged to chase the debt are asked to stop as well.

In relation to the compensation amount it's clear Mr E has been caused distress by APS' actions. APS paid the £300 recommended by our investigator, but I'm not sure this goes far enough.

Mr E has shown evidence APS were contacted about the DRO when it happened in February 2018, and I note this information was included in our investigator's view – which APS told us they accepted.

This means Mr E has been waiting for a long time for APS to sort out something which should have been done at the time. Mr E contacted APS on a number of occasions, has been repeatedly chased by debt collectors and says he's been "bullied" and "put through hell".

Overall, I think a total of £400 compensation is fair for these issues due to the significant distress he's been caused. This includes the £300 APS has already paid to Mr E.

Responses to my provisional decision

Mr E replied and said my provisional decision was fair as long as:

- APS remove the incorrect credit file information as soon as possible
- Say sorry for the many errors they made on purpose
- Ensure they and others stop contact after saying sorry, and removing the credit file information, by letter
- Stop sending him emails
- Pay the additional £100 without delay

APS didn't reply by the deadline set.

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.

Mr E said he thought my provisional outcome was fair but added some additional actions he thinks APS need to take. I didn't include APS saying sorry in my provisional decision, as I felt the compensation was sufficient for this. I haven't ordered this, but it's clear Mr E would appreciate it if APS said this when contacting him about the actions they've taken.

In relation to the time it'll take for the credit file information to update it's often around 4-6 weeks once the financial business has put the request through. This is the standard timescales, and that isn't in APS' control.

As for sending him emails I can only assume this is in relation to the debt. Because I'm ordering APS to update their internal systems to show Mr E is no longer liable to repay the debt – then they shouldn't be contacting him about that anymore.

So, although Mr E would like APS to do more than my provisional decision set out I don't think that's necessary. And as APS didn't reply by the deadline I've seen no reason to change the outcome I reached.

Putting things right

In line with the above I'm currently planning to order APS to:

- 1 Update their internal systems to show Mr E as being no longer liable to repay the debt following the DRO completing in February 2019
- 2 Update the information they've reported to the credit reference agencies so that it is consistent with the details in point 1 above
- 3 Ensure, if they haven't already, that they and any other parties cease contacting Mr E in respect of the debt
- 4 Pay Mr E total compensation of £400

My final decision

It follows I uphold this complaint and order Advanced Payment Solutions Ltd to carry out the actions I've set out above in the "putting things right" section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 17 November 2020.

Jon Pearce
Ombudsman