

The complaint

Miss B has complained that Credit Resource Solutions Ltd (CRS) treated her poorly when she asked it for proof of a debt.

What happened

CRS was acting as a debt collector on behalf of a short-term lending creditor. It was chasing Miss B for payment.

In October 2019, Miss B asked for evidence of her debt. But CRS declined to provide this, and instead threatened her with court action.

Miss B complained, and CRS agreed its staff had taken too harsh a tone. It passed the debt back to the original creditor, and apologised.

However, Miss B explained that she'd found CRS's contact really distressing, and it had caused a flare up of a condition. She asked our service for help.

Our investigator looked into things independently and upheld the complaint. He felt CRS's apology didn't go far enough, and awarded £150 compensation.

CRS 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.

Having done that, I've come to the same conclusions as our investigator, and for much the same reasons.

It's completely understandable for Miss B to want to check whether a company chasing her for money is genuine or not. The email she originally sent may have caused some confusion for CRS – it appears to be a template email which has some odd use of legalistic terms and asks for some irrelevant things like the deed of assignment. But all the same, CRS should have sent Miss B relevant evidence of the debt such as the agreement and statements, so it's not right that it failed to do so when asked.

It's also not right that CRS was so needlessly rude and condescending. As it has now accepted, its tone was inappropriate in addition to being unhelpful.

While CRS has apologised, I don't think that's enough to put things right here. Instead, we often tell businesses to pay compensation in order to recognise their error and the impact it had. And here, it's clear that the matter caused Miss B unfair distress. She explained she felt belittled and made to feel insignificant, and that the anxiety worsened a medical condition.

So I agree with our investigator that CRS should pay Miss B £150 to put things right.

I will note that, as our investigator explained, CRS was only the debt collector here and didn't own the account itself. So it does not appear that it cleared the debt, it looks like it just passed the debt back to the original creditor. Miss B should get in touch with the original creditor if she'd like to query the balance.

My final decision

For the reasons I've explained, I uphold Miss B's complaint, and direct Credit Resource Solutions Ltd to pay her £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 1 February 2021.

Adam Charles
Ombudsman