

The complaint

Mr T complains that Arrow Global Limited has been chasing him for a debt which he disputes is his. He wants it to stop collection activities directed at him.

What happened

Mr T tells us that Arrow has been harassing him in the way it's trying to collect a debt which he disputes. He says it's ignored his request for various information about the debt. In particular he says it hasn't provided a deed of assignment. And that it's continued to seek collection of the debt even after he sent it a "*cease and desist*" letter. He says that the debt doesn't appear on his credit file.

Arrow told us that it had purchased the debt from a business I'll refer to a "C", in 2011. And that one of its collection agents had obtained a County Court Judgment (CCJ) against Mr T in 2012 in relation to this debt. It said that as the legitimate owner of the debt it was entitled to contact Mr T to seek to resolve the balance. In respect of an issue relating to a Subject Access Request (SAR) it said it partially upheld Mr T's complaint and had awarded him £150 by way of compensation.

I issued a provisional decision on this complaint on 9 December 2020. I said that I didn't intend to uphold the complaint. And that I found that Arrow had reasonable grounds for believing that Mr T owed the relevant debt.

Since then both parties have replied. Arrow said it had nothing to add. Mr T didn't agree with my provisional decision and felt that I'd said that Arrow could chase an unenforceable debt.

I thank both parties for their responses. I'll deal with the issues raised, in my final decision which is set out below. But I'm not minded to change my view on the outcome.

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 should say at the outset, that there's been reference to a CCJ supposedly made in 2012. I've not been supplied with a copy of that judgment – apparently the company which is said to have obtained that judgment on behalf of Arrow is no longer in business. And as CCJ's are removed from the register of judgments after six years – and also from credit files – that may account for no record of it now being available.

Where a CCJ has been issued, this service wouldn't usually be able to deal with a complaint about the way in which enforcement activity relating to the judgment is being conducted. That's because enforcement of a CCJ is not a regulated financial activity nor ancillary to it. And I'd have had to find the complaint fell outside our jurisdiction. But as the parties have been unable to supply a copy of the judgment, I'm not able to say that it falls outside our jurisdiction. So I've decided to issue a decision on the merits of the complaint.

I accept that most of us would find it disconcerting to be chased for a debt *if* we were not the

person liable to repay it.

Mr T's complaint is that Arrow is asking him to pay for a debt that he disputes is his. And he further complains it hasn't provided all the information about the debt which he's requested.

I'm aware that I've summarised this complaint in far less detail than the parties and I've done so using my own words. I'm not responding to every single point made by all the parties involved. No discourtesy is intended by this. Instead, I've concentrated on what I think are the key issues here. Our rules allow me to do this.

This reflects the nature of our service as an informal alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

This service is an informal resolution service. And as an ombudsman I'm required to make my decisions in accordance with the rules which are set out in the Financial Conduct Authority (FCA) sourcebook and Financial Services and Markets Act, 2000.

The most relevant rules are:

DISP 3.6.1

The Ombudsman will determine a complaint by reference to what is, in his opinion, fair and reasonable in all the circumstances of the case.

DISP 3.6.4

In considering what is fair and reasonable in all the circumstances of the case, the Ombudsman will take into account:

(1) relevant:

(a) law and regulations;

(b) regulators' rules, guidance and standards;

(c) codes of practice;

The effect of the above is that I don't apply the law directly – but I take it into account. This means my decisions may be different to that which a court might reach if it was able to look at the same issue. Although here I believe there's a very high probability that a court would reach the same decision regarding the legitimacy of Arrow seeking to collect the debt.

Financial businesses are also required to follow the rules of the FCA. And relevant rules relating to this complaint are (my underlining):

CONC 6.5.2

(1) Where rights of a lender under a regulated credit agreement are assigned to a firm, that firm must arrange for notice of the assignment to be given to the customer:

(a) as soon as reasonably possible;

CONC 7.5.3

A firm must not ignore or disregard a customer's claim that a debt has been settled or is disputed and must not continue to make demands for payment without providing clear justification and/or evidence as to why the customer's claim is not valid.

In response to the issues raised by Mr T in his reply to my provisional decision I restate the same points that I made in that view.

I emphasise that I'm not able to decide (in the same way that a court might do) that Mr T is liable for this debt or if it's enforceable against him. What I have to determine is if Arrow *reasonably* believes he is the person who owes the debt. And that it's entitled to seek repayment from him. Also, if the way it's gone about doing that is fair.

I've been supplied with a copy of the application form in relation to the debt. This records Mr T's full name and address (which both match the records he's given to this service). Also his correct date of birth; occupation and a phone number. I've also been supplied with a copy of the notice of assignment; contact notes and details of payments made. The combination of all these elements leads me to conclude that to a high degree of probability it's reasonable for Arrow to believe that Mr T owes the debt. And that it's justified in seeking repayments from him.

Mr T also raised the issue that the notice of assignment is not itself proof that Arrow now owns the debt. But recent case law in 2019 suggests that where the respective businesses (here that's C and Arrow) consider there has been a valid assignment of a debt then the debtor is unable to challenge this.

Mr T's suggestion that - by sending three letters to Arrow seeking the information regarding the deed of assignment and asking it to "*cease and desist*" from contacting him about the debt - it was required to stop collection activity, is not supported by legislation or FCA rules.

I understand that it would be stressful to be contacted about a debt – whilst the debt was disputed. But I've seen nothing in the manner or frequency of contact to cause me to think Arrow has taken other than reasonable steps in pursuing a debt it owns.

In summary, I find that Arrow has acted on reasonable grounds and that it has been entitled to seek repayment of the debt from Mr T. I'm satisfied it's provided him with sufficient justification and information to invalidate his claim to not owe this debt.

Accordingly, I shan't be asking Arrow to stop enforcement or collection activities. And 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 T to accept or reject my decision before 8 February 2021.

Stephen Ross
Ombudsman