

The complaint

Ms B complains about the actions of Intrum UK Limited (Intrum) regarding a debt it says she owes.

What happened

The debt Ms B complains about originated from a current account overdraft facility provided to her by a bank. The original account was closed in September 2012 – and the debt was then sold to Intrum in 2014, who are now the legal owners of this debt.

Ms B says that she thought the overdraft facility was £600, and so she doesn't think it is fair that when Intrum took ownership of the debt it asked her to repay £1,806.78.

Ms B says that she hasn't received any communication from Intrum about the debt despite Intrum saying it had sent many letters. Ms B says she only found out about the debt when she checked her credit report – although she was aware of the original debt with the bank.

When Intrum couldn't get in touch with Ms B, and hadn't received any repayments towards the amount outstanding, it applied to the courts, where a County Court Judgement (CCJ) was granted.

Intrum responded to Ms B's complaint and said that the charges it had added to the balance she owed were in relation to the costs for the CCJ and its enforcement. It said it was entitled to charges these fees and that it was entitled to apply for a CCJ in order to recover the amount owed. It says it charged her a total of £743.63 that related to costs involved in obtaining the CCJ and subsequent enforcement action.

Our investigator looked into things for Ms B. He let her know that this service wouldn't look into the decision made by the court when it issued the CCJ. And that this service wouldn't consider any of the things the court had done - so the amount the judgement states was owed and the liability of the debt. Our investigator directed Ms B back to the courts if she was unhappy with its decision.

Our investigator also said this service couldn't look at how Intrum had gone about collecting the debt after the CCJ had been granted – because seeking to enforce a judgement debt isn't a regulated activity. However, he said he could look into the actions of Intrum leading up to the CCJ.

Our investigator's view was that Intrum hadn't done anything wrong. He was satisfied that Intrum were the legal owners of the debt and that the original lending was in Ms B's name. He confirmed the balance of the account when Intrum purchased the debt was £1,806.78. And he thought it was fair of Intrum to take reasonable steps to recover the debt. He didn't agree with Ms B's comments that Intrum hadn't tried to contact her about the debt and referred to a number of letters that it had sent her since 2014.

Ms B didn't agree with our investigator. She still thought that Intrum could and should have done more. Because Ms B didn't agree, the complaint has been passed to me to make a decision on the matter.

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 so, I'm not upholding Ms B's complaint and I'll explain my reasoning for doing so in more detail below.

There are parts of this complaint this service won't be considering, our investigator has already explained this to Ms B and she has accepted this. So, it's now left for me to decide on the complaint this service can look into. I have broken Ms B's complaint points down and responded to them separately below.

balance owed when Intrum purchased the debt

I've looked at the notice of assignment letter that was sent to Ms B by the original lender. This confirms that Intrum are now the legal owners of the debt, and that the amount owing at that time was £1,806.78. I have also seen statements from the original lender which shows that this was the closing balance on the original overdraft account. At this stage, Intrum hadn't added any additional fees or charges to the balance and so the total amount outstanding when Intrum first purchased the debt all related to the original overdraft account. So, any complaint Ms B wants to make about this balance will need to be directed to the original lender. And it follows that I don't think Intrum has made a mistake when it initially took over the debt and told her the balance owed was £1,806.78.

actions taken by Intrum to recover the debt

Ms B says she didn't receive any correspondence from Intrum about the debt. And she had no idea that a CCJ had been granted against her until she checked her credit report. I've looked at what Intrum did, if anything, to contact Ms B about the debt.

Looking at everything we have on file, I can't agree that Intrum didn't do enough to contact Ms B. Intrum became legal owners of the debt in 2014 and I can see both Intrum and the original lender wrote to Ms B to let her know this. From then on, and until the CCJ was granted on 7 February 2018, I can see that Intrum sent at least 32 letters to Ms B about the debt.

Ms B has confirmed that for the most part, she resided at the address Intrum sent these letters to, so it seems unusual that she didn't receive any of these.

While I don't have evidence from Intrum to show the letters were sent, I think it's likely Intrum sent them. I say this because it was in its interest to recover the money owed, and it wouldn't have had a good chance of being able to do this if it didn't contact her. I've also seen copies of the letters, so again this leads me to think it's more likely than not that they were in fact sent.

I don't think it's likely that all 32 letters would have gone missing in the post or weren't sent as a result of a system error. So on the balance of probabilities, I think it's likely the letters were sent and received at the address Ms B says she mostly resided at. While I appreciate, she may not have remembered receiving them, or perhaps didn't open them - I can't fairly say that Intrum didn't do enough to try and contact her.

Intrum also said it made around 56 attempts to call Ms B. It's said some of the attempts to contact her may have been to an old number – Ms B has confirmed she did change her number at one point. It doesn't appear that Ms B updated Intrum with her new number, and so I don't think I can say it has done anything wrong by not being able to contact her on her normal number.

But given what I've already said about the number of letters Intrum have sent to Ms B, I think Intrum has done enough to contact Ms B in recovering this debt, prior to it taking court action.

Intrum should have done more to help Ms B repay the debt

As I've said, Intrum tried to contact Ms B a number of times about the debt. Most of the letters I have seen sign post Ms B to charities who might be able to help her if she was in financial difficulties. Intrum has also asked for Ms B to complete a form so she could make an offer of repayment at an amount that would be affordable to her. Ms B didn't engage with Intrum for a number of years, despite its attempts, so it would have been difficult for Intrum to do much more to help Ms B if it wasn't able to discuss the situation with her.

My final decision

For the reasons set out above, I don't uphold Ms B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 8 July 2021.

Sophie Wilkinson
Ombudsman