

The complaint

Mr K complains that Capquest Debt Recovery Limited is acting unfairly by not offering him a higher discount off his debt in line with the offers made by other businesses.

What happened

Mr K tells us that for some years he's been paying off various debts to different businesses. And that due to his low income he thinks that Capquest should write off the debt or offer a discount of more than the 30% its offered. He says other businesses have written off his debts or offered larger discounts than Capquest.

Capquest told us that Mr K didn't meet its criteria for a debt write off. But it had previously offered him a 30% discount in 2018. It said that a payment arrangement of £5 per month was in place. But that if this was unaffordable to Mr K it would consider a more suitable plan.

Our investigator thought that Capquest had acted fairly and didn't recommend that the complaint should be upheld.

Mr K didn't agree with this outcome. 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 Mr K and recognise that debt can be a stressful experience. And I can see that Mr K has been paying off debts to Capquest and other businesses for many years.

I understand why Mr K might think that if other businesses have written off his debts or offered higher discounts that it was unfair of Capquest not to do likewise.

Capquest, like any other business, is entitled to collect debts that it is lawfully owed. But in doing so it's required to treat Mr K with forbearance and due consideration. There's no set means by which this has to be done. Each business is entitled to apply its own criteria. But typically this might include a freeze on interest and affordable payment arrangements.

It's not in dispute that Mr K has a payment arrangement of £5 per month. And the account statements I've seen indicate that Capquest hasn't charged any interest on the account since it acquired the debt several years ago.

I can see that in 2018 Capquest wrote to Mr K offering a 30 % discount for settlement of the debt. I'm aware that Mr K doubts the authenticity of these letters. And says that he didn't receive them. But having seen copies of the letters, I'm satisfied they were genuine. And Capquest can't be held responsible if correctly addressed mail isn't delivered.

Whilst Mr K may not have seen these letters, it seems improbable that he would've been able to act upon them even if he had been aware of them. He's explained he has no savings. As the discount was being offered in respect of a lump sum settlement it's unlikely he would've been able to accept the terms offered.

Our investigator explained that Capquest isn't required to follow the offers that other businesses have made. It has its own criteria and Mr K doesn't come within that. And I note that Capquest explained this to Mr K when it declined his request for the debt to be written off in 2020. I've seen no information that indicates that this decision was for reasons other than those based on Capquest's present criteria.

I'd add that Capquest would be required to keep Mr K's account under review. And if his circumstances changed or in future he met the criteria for the debt to be written off, the position might alter.

In summary, I don't think that Capquest has done anything wrong here. It's agreed a sustainable payment arrangement with Mr K. And has said that if Mr K considers this is no longer affordable it will review the position if he provides details of income and expenditure. It's confirmed that whilst any arrangement is being met it wouldn't take further recovery action.

Overall, whilst I accept that Mr K is likely to disagree, I find Capquest has acted fairly. Accordingly, I'm not upholding this complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 12 August 2021.

Stephen Ross
Ombudsman