

The complaint

Miss C has complained that PRA Group (UK) Limited are pursuing her for debts she didn't realise she still had, and that they reported things incorrectly on her credit file.

What happened

This complaint is about three defaulted accounts – a credit card, a loan, and an overdraft – which were sold from the original creditor (who I'll call "N") to PRA Group in 2019.

The loan and overdraft were originally held jointly between Miss C and her late partner, who passed away. The credit card was in Miss C's sole name, while her partner had been added as an additional cardholder.

Miss C and her late partner had been paying these debts via a debt management charity. Miss C has explained that her partner handled the debt situation, so she wasn't aware the accounts had been sold to PRA Group. And she explained that when her partner passed away, N told her all the debts had been closed. So she was surprised to then learn that she still had outstanding balances with PRA Group.

Meanwhile, the debt management charity reported to PRA Group that Miss C's partner had passed away. But because of an administrative error, PRA Group's system ended up recording Miss C as being deceased on her credit file.

Miss C complained. PRA Group apologised, fixed Miss C's credit file entries, and paid £100 compensation towards her outstanding debts. But Miss C explained she'd been treated very unfairly. She said she hadn't known she still had these debts and so she asked if they could be written off.

Our investigator looked into things independently and found that PRA Group had already resolved their mistake fairly. They explained that while they could see Miss C had been caused understandable upset by being led to believe her debts were gone, PRA Group weren't responsible for any wrong information N might have given Miss C, and this was money she genuinely owed. And they could see that PRA Group did contact Miss C directly back in 2019 to let her know they now owned the accounts.

Miss C didn't agree. She felt the information PRA Group were reporting on her credit file was still wrong. She felt PRA Group should have done more to let her know they'd bought the debts. She explained that between N's mis-advice and her late partner not keeping key documents, she hadn't been aware of what was going on. She also felt sure that her credit card account had been a joint one.

Miss C asked for an ombudsman to look at things afresh, 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.

First, I will say that Miss C has my sympathies – it sounds like she's gone through a truly tough time. From what she's told us, her late partner didn't show her key correspondence and she was mis-advised by N, which means it came as a shock to her to find out that these debts were still outstanding.

With that said, I should explain that in this complaint I can only consider what PRA Group did. I cannot hold PRA Group responsible for any actions of her late partner or N. And these are debts which Miss C genuinely owes. So while I can certainly understand why she would like them to be written off, I can't fairly tell PRA Group to do that because of someone else's mistake. I understand that we have looked at what N did in a separate case.

I can see that PRA Group wrote directly to Miss C in 2019 to let her know they'd bought these accounts – which is what they were supposed to do. They also texted her to explain they'd bought these debts, and they tried getting in touch by phone a number of times too. They then had regular interaction with the debt management charity who Miss C had instructed to represent her. So I think PRA Group made sufficient effort to contact Miss C and her representatives when they bought the accounts.

Of course, both sides accept that PRA Group got things wrong by reporting Miss C as deceased on her credit file. But I can see that after Miss C let PRA Group know, they apologised and put her credit file entries right. They also paid £100 compensation towards her debts to acknowledge the impact their mistake had had on her. And they then put things on hold while she brought her complaint further. So they've already done what I would have told them to do there.

Miss C says the information PRA Group are reporting on her credit file is still incorrect. But as far as I can see, they are no longer reporting her as deceased, and the dates and balances are correct. It's worth bearing in mind that the balances on her credit file have been rounded to the nearest pound. So for example, while the balance of her loan is £3,837.84, this will show up on her credit file as £3,838. As Miss C has noted, PRA Group have chosen not to report her credit card on her credit file anymore. It's not clear why they've done that – it may be because it defaulted so long ago. But ultimately, that will only make her credit file look better, as it's one less defaulted debt on her file, so I can't say they've acted unfairly or unreasonably there.

I understand that Miss C recalls her credit card being a joint account. But generally speaking, credit cards can normally only be sole accounts. You can add extra cardholders, but it's still a sole account. I appreciate this is not very intuitive, so I can understand why Miss C might have thought this was a joint account. But I can see that Miss C's credit card was indeed in her sole name – her late partner was just an additional cardholder. In any case, I'm afraid this does not really make a difference, as whether it was joint or sole she's still now responsible for the outstanding balance.

Lastly, Miss C asked us to clarify which accounts were which and what the balances were, as she'd found this confusing. I'll send her a breakdown with the cover letter so that it's clearly set out for her.

I hope I can reassure Miss C that it's quite normal for debts to be sold on like this. PRA Group still have to deal with her fairly when it comes to repaying the debt – and they've confirmed that they'll only ask Miss C to pay what she can reasonably afford, and they're happy to work around her and her circumstances. If she's in any financial difficulties, I'd expect PRA Group to deal with that positively and sympathetically. Miss C may want to get back in touch with PRA Group to see what assistance they can give her with repaying the accounts. I'll also send Miss C the details for charities who can give her free help and advice in dealing with debts – including the one she was using before in case she'd like to use them again. And Miss C can always get back in touch with our service for a new case if she later feels that PRA Group aren't taking her situation into account when working out how to repay the debts.

But as things stand, I think these debts are genuine, I don't think PRA Group are responsible for what other parties may have got wrong, and I think PRA Group have already put their own mistakes right. So I don't require PRA Group to do anything further here.

My final decision

For the reasons I've explained, I don't uphold Miss C's complaint in this particular case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 28 October 2021.

Adam Charles
Ombudsman