

## **The complaint**

Mr H complains that PRAC Financial Limited (PRAC) didn't respond sympathetically to his attempts to settle an outstanding debt.

## **What happened**

In 2019 PRAC bought an outstanding debt in Mr H's name. PRAC instructed a company which I will refer to as "B" to recover the outstanding balance from Mr H.

Mr H started to repay the debt by instalments. There were times when he stopped paying so B asked for his repayment proposals. Mr H made a settlement offer of around £150, which was rejected. Instead, B told Mr H that PRAC would accept just under £394. Mr H paid this sum to B in April 2021.

In April 2021, Mr H complained to PRAC that he'd wanted to negotiate a settlement with B given the situation with his poor mental health.

PRAC didn't think that it or B had done anything wrong. The investigator didn't recommend that Mr H's complaint be upheld. She said she couldn't consider what discounts PRAC had offered other customers. The investigator didn't think that PRAC had harassed Mr H as it had a legitimate interest in contacting him to try and recover the debt.

The investigator didn't think that PRAC was aware of Mr H's mental health problems until he told them in April 2021.

Mr H isn't happy with the investigator's recommendation. He says PRAC and B are run by the same person who has been under investigation by the Law Society and the press. Mr H says he knows of other people who were offered bigger discounts than he was by PRAC.

Mr H says that PRAC didn't try to find out whether he could afford to settle the debt. Mr H says that the tone of B's letters led him to believe that he would be taken to court if he didn't settle the debt. This meant he felt he had no option but to borrow from family members.

## **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 am only considering the actions of PRAC and not B. I should also say that this service doesn't supervise, regulate, or discipline the businesses we cover – that's the role of the regulator. This means that although I can see that Mr H feels strongly about the way in which PRAC and B are run, I haven't commented further on this. My decision is limited to whether PRAC treated Mr H unfairly when asking him to repay the outstanding balance.

I'm satisfied that PRAC sent Mr H a notice of assignment once it took the debt over. I consider this was enough to show Mr H that it owned the debt and that it was reasonable for PRAC to appoint B to collect the debt its behalf.

Although Mr H says he knows of other people who were offered a larger discount on their debts than he was, I don't think that it's for this service to say what kind of discount should be offered – that's a matter of commercial judgment for PRAC.

Most of Mr H's concerns about the way the collection of the account was handled, appear to relate to B rather than PRAC. As I've said above, I can only consider Mr H's complaint as it relates to PRAC. And I just I don't have enough evidence to conclude that PRAC's contact was excessive or harassing in nature.

I can't see that PRAC was made aware of Mr H's mental health problems until around April 2021 when settlement of the debt was agreed. I can also see that once Mr H complained, PRAC engaged with B to find out more about what had happened. This seems a reasonable step to take on the part of PRAC.

I appreciate that Mr H thinks PRAC should've done more to assess whether the settlement was affordable to him. But from what I understand, when Mr H spoke with B about the settlement, he said he'd had money gifted to him and that his family was supporting him financially. I wouldn't have expected PRAC to go behind this and carry out further checks.

Although Mr H says he felt from the tone of B's letters and the attitude of its staff that he had no option other than to pay B, I can't say that this was the fault of PRAC. So, it doesn't change my decision not to uphold Mr H's complaint.

### **My final decision**

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 23 February 2022.

Gemma Bowen  
**Ombudsman**