

The complaint

Mr G has complained that PRA Group (UK) Limited are continuing to report his account as open and outstanding after it's been written off.

What happened

This complaint is about a consumer credit account that defaulted in 2017 and was sold to PRA Group in 2018.

In 2021, Mr G asked PRA Group to write off the debt in view of his circumstances. PRA Group agreed, and confirmed the account was now closed.

However, PRA Group continued to report it as open and outstanding on Mr G's credit file. They felt it would be incorrect to report that the account had been satisfied in any way.

Mr G explained he understood that the account would remain on his credit file for six years, and he wasn't asking for it to be removed entirely. But he would just like his file to reflect that the account was now closed.

Our investigator looked into things independently and upheld the complaint. They understood PRA Group's position, but explained that it was incorrect to record the account as still being open when it was actually closed. They proposed that PRA Group mark it as partially satisfied, which was normal for write-offs and would reflect that the balance had not been paid off.

PRA Group didn't agree, 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 am glad that PRA Group took a positive and sympathetic view of Mr G's situation and agreed to write off this account.

I also appreciate that PRA Group want to avoid mis-reporting things on Mr G's credit file. However, I'm afraid that, contrary to their thinking, they are currently mis-reporting things.

Mr G's account was written off and closed. So by reporting it as still being open and outstanding, PRA Group are mis-reporting the situation. Their current entry is incorrect and does not reflect the true status of the account. The debt is not open or due to be paid.

When a defaulted debt is written off like this, it's quite normal practice to mark it as partially satisfied. This reflects that the account is closed and no longer outstanding, but that it was not paid in full and there was a balance remaining at closure. That seems most appropriate in this situation.

So I direct PRA Group (UK) Limited to record this account as partially satisfied. They should backdate this to the point when the debt was written off.

My final decision

For the reasons I've explained, I uphold Mr G's complaint, and direct PRA Group (UK) Limited to mark the account as partially satisfied from the date it was closed.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 5 April 2022.

Adam Charles
Ombudsman