

The complaint

Ms R's complained that Clarkewood Limited have chased her for payment of a success fee in relation to recovering mis-sold payment protection insurance (PPI) – but she doesn't believe she ever instructed them.

What happened

In mid-2021, Ms R was being contacted daily by debt collectors acting on behalf of Clarkewood, demanding payment of a fee for recovering PPI on her behalf. Ms R was very worried and found the debt collectors threatening – not only in the frequency of contact, but also in threatening to seize her possessions to satisfy the debt and costs as a result of court proceedings she knew nothing about.

Ms R wrote to Clarkewood complaining about their agent's actions and asking them to provide her with evidence she'd instructed them to recover PPI on her behalf. She didn't get any response. So she referred her complaint to us.

Our investigator contacted Clarkewood for their comments and any business file they had for Ms R. Despite chasing the matter up, she received no response. So she based her conclusions on the information provided by Ms R.

In the absence of any testimony to contradict what Ms R had told her, the investigator concluded Clarkewood didn't act fairly in pursuing Ms R for payment of the debt. To resolve the complaint, she thought Clarkewood should stop all its collection activity – and should instruct its agents to do the same. And she said they should pay Ms R £100 compensation for the upset they and their agents had caused in pursuing the debt without evidence Ms R owed them anything.

Neither party responded to the investigator's view. So I've been asked to make a 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.

Having done that, I'm upholding Ms R's complaint. I'll explain why.

Like our investigator, I've not seen any information from Clarkewood. So I've had to base my decision solely on the information provided by Ms R. I've no reason to doubt anything she's told us.

Ms R's clearly been shaken by being pursued by the debt collectors appointed by Clarkewood. That's understandable because she doesn't think she owes Clarkewood any money.

Ms R hasn't provided any documentation from Clarkewood. But, if she didn't instruct them, I wouldn't expect her to have any. In the absence of evidence from Clarkewood about the fee they say they're due, the only conclusion I can draw is that Ms R doesn't owe them anything.

Putting things right

On the basis of that conclusion, I agree with our investigator that Clarkewood should stop pursuing Ms R for any payment. And they should instruct the debt collectors to do the same.

And I agree with our investigator that Ms R should be compensated for the distress she's clearly been caused by being pursued for payment. So I think Clarkewood should pay her £100 compensation for that.

My final decision

For the reasons I've explained, I'm upholding Ms R's complaint about Clarkewood Limited and directing them to:

- cease all debt collection activity against Ms R. And instruct the debt collector they'd appointed – and any other agents – to do the same;
- pay Ms R £100 compensation for the distress pursuing an unsubstantiated debt has caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 18 May 2022.

Helen Stacey
Ombudsman