

## **The complaint**

Mr G has complained about Arrow Global Limited pursuing him for a debt which they were unable to evidence he owed.

## **What happened**

Both sides are most familiar with the case, so I'll summarise things in brief.

This complaint surrounds a credit card account which was opened in 1996, defaulted in 2015, and was sold to Arrow in 2016. Mr G has explained he was overseas between 1995 and 2002, and between 2010 and 2018.

In 2019, Arrow's solicitors started a claim for a county court judgement (CCJ) against Mr G. Mr G submitted a defence, saying that the debt wasn't his and that it was statute barred.

Due to the age of the account, Arrow were unable to get evidence from the original lender to show that Mr G was liable for the debt. They discontinued the court action. However, they did not communicate this to Mr G and continued sending him correspondence saying the debt was outstanding.

In 2021, Mr G complained. Arrow accepted they'd made a mistake by not telling Mr G they'd stopped the court proceedings. They sent him a cheque for £100 compensation, and they agreed to close the account. However, Mr G explained that the matter had caused him a great deal of trouble and upset. He asked our service to look into things.

Our investigator looked into things independently and upheld the complaint. They recommended that Arrow pay Mr G £350 compensation in total.

Mr G accepted the recommendation. Arrow didn't reply, 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.

Having done that, I've come to the same conclusions as our investigator.

First, I will clarify that in this decision I have only been able to consider what Arrow did, and not the original lender.

While I do appreciate that the age of the account makes things more difficult, and that Arrow had to rely somewhat on the original lender, it remains that Arrow have not been able to show they were entitled to pursue Mr G for this account. And there are doubts about whether he really owed it or not, given that it appears he was abroad when it was taken out and when it defaulted.

Further, both sides accept that Arrow should have engaged with Mr G's defence much earlier and been clearer about what was happening.

I understand that while this issue may not have caused Mr G any particular financial loss, and while I don't have evidence that this caused Mr G to be declined for any particular credit, it did cause Mr G a good deal of stress and upset. Mr G has detailed the distress he felt at receiving a court claim seemingly out of the blue, and at continuing to be pursued for quite some time even after he'd defended the claim.

When a business gets things wrong, we often tell them to pay compensation, to acknowledge their mistake and the impact it had. We tend to find this is more effective than an apology – as if I told Arrow to apologise, it would not come across as very sincere as they'd only be apologising because I told them to. We have guidelines about what levels of compensation to award, and I need to be consistent with those. Taking everything into account, I agree with our investigator that £350 in total would be fair to put things right here.

### **Putting things right**

I direct Arrow Global Limited to pay Mr G £350 compensation in total.

So if the cheque that Arrow Global Limited sent Mr G for £100 has already cleared into his account, they would need to pay Mr G a further £250 to bring the total to £350.

### **My final decision**

For the reasons I've explained, I uphold Mr G's complaint, and direct Arrow Global Limited to put things right in the way I set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 13 July 2022.

Adam Charles  
**Ombudsman**