

## **The complaint**

Mr F complains that Arrow Global Limited unfairly declined his request to write off an outstanding debt due to his health.

## **What happened**

In 2019 Arrow acquired a debt in Mr F's name from a credit card provider I'll call V. Mr F had been making payments of £1 a month for some time. The account hadn't been defaulted and remained active when bought from V.

Mr F continued to make payments of £1 a month until April 2020 and began again a few months later.

Last year, Mr F contacted agents acting on Arrow's behalf and explained he was suffering with serious health problems and financial difficulties. Mr F asked Arrow to consider a medical write off of the remaining balance. Mr F explained the state of his health meant he wouldn't be able to return to work so had no realistic way of repaying the debt at any point in the future. Mr F forwarded some medical evidence in support of his request.

Arrow didn't agree to write off the debt. A short time later, it moved to terminate the loan agreement and record a default on Mr F's credit file. The default was recorded in August 2021.

Mr F went on to raise a complaint about Arrow's decision to reject his request and terminate his loan. Arrow agreed to backdate its default to January 2020 but didn't offer to write off the remaining balance.

An investigator at this service upheld Mr F's complaint and said the fairest approach, given his health and prospects of being able to restart payments in the future, was for Arrow to write off the remaining balance. They also said Arrow should remove the default from Mr F's credit file and pay him £500 for the distress and inconvenience caused. Arrow responded to the investigator's first set of findings but didn't respond to a follow up. As a result, Mr F's case has been passed to me.

I recently contacted Arrow and asked it for further comment before making my decision. I didn't receive a response.

## **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.

There are several issues at play here. Mr F has asked Arrow to consider writing off the remaining balance on the basis he's unfit to return to work and will be unable to repay the outstanding debt in the future. Mr F has forwarded evidence from his doctors that shows he's suffering with very serious health conditions.

Mr F has also pointed out he's not worked for some time and is approaching retirement age. Added to Mr F's health concerns, Mr F's pointed out there's no prospect of him being able to go back to work and clear the outstanding balance.

I appreciate the format of the information provided by Mr F isn't exactly what Arrow asked for. But I'm satisfied the information Mr F's sent us along with what he's told us about his circumstances and health show there's reasonable grounds to agree a medical write off. I recently asked Arrow to consider agreeing this approach but didn't receive a response. Based on the information provided, my view is that Mr F's claim he's unable to work is reasonable.

I'm satisfied the investigator's view Arrow should write off the outstanding balance is fair in the circumstances of this complaint. So I'm going to proceed on that basis.

Our investigator also said Arrow should delete the default entry entirely. I understand Arrow purchased an active account. But its case handler has accepted V should've defaulted the account before the debt was acquired. In the circumstances of Mr F's case, I think the fairest approach would be to backdate the default to the point it should've been applied by V. But as Arrow can't do that, I agree with the investigator a reasonable approach is to remove the default from Mr F's credit file entirely.

I think Arrow should've taken a wider look at Mr F's situation and circumstances at an earlier point. And I think Mr F makes reasonable points when bringing his complaint and that the level of distress caused has been exacerbated by his health. It appears Mr F repeatedly went back to Arrow and its agents about the state of his health. But I can't see the same level of contact from Arrow or that it fairly considered his requests.

Given what we know about Mr F's health and circumstances I'm satisfied the issues raised caused a significant level of trouble and upset at an already difficult time. So I'm also telling Arrow to pay Mr F £500 in recognition of the distress and inconvenience caused.

### **My final decision**

My decision is that I uphold Mr F's complaint and direct Arrow Global Limited to settle as follows:

- Remove the default reported on Mr F's credit file
- Approve the medical write off as requested by Mr F and cease all collections activity
- Pay Mr F £500 for the distress and inconvenience caused

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 1 November 2022.

Marco Manente  
**Ombudsman**