

The complaint

Mr M complains that although he has been paying monthly payment towards his debts for many years, Arrow Global Limited (Arrow) have failed to tell him, for the last six years, about another account they hold for him.

Mr M has three accounts with Arrow, which for the purposes of this decision I will call B, M and H.

During the lifetime of these accounts Mr M has lived at three addresses which for the purposes of this decision I'll call Address A, Address B and Address C.

What happened

More than 10 years ago Mr M entered into what appears to have been a debt management plan, where he paid one monthly payment and the provider of the plan split this between his creditors, including Arrow, with who he had three accounts. Arrow had more than one company servicing the accounts on their behalf at different times throughout the lifetime of them.

When the plan was set up Mr M lived at Address A. In June 2014 Mr M moved to Address B.

Mr M says around 2016, the provider told him it was no longer offering this service but would contact his creditors and arrange direct payments to be set up for him. Mr M believed this to have happened and has made monthly payments, as set up, ever since. Mr M has a letter dated October 2016, addressed to Address B, from one of Arrow's agents setting up a monthly direct debit of £20. He believed this to be covering the money he owed to Arrow.

In December 2018 Arrow's agent wrote to Mr M at Address B to let him know he hadn't been paying towards account B. The agent received a call from the occupier of the property who said Mr M no longer lived at the address. Arrow and or its agents continued to write to Mr M at Address B until August 2020.

Arrow says a letter about account B was sent to Mr M, at Address C in July 2020. Mr M says he moved to Address C from Address B in September 2020, while still continuing with his monthly payments.

In July 2021 Mr M contacted Arrow's agent to ask for a statement of his accounts, he needed this to show to his new employer. On this call the agent informed Mr M that although he had been paying money towards debts he owed to Arrow, there was another account with a balance of around £6,000 that he hadn't been making payments towards. This was account B. The agent told Mr M the address they held for him on this account was Address B. Mr M was very upset to learn the money he'd been paying each month for the last 10 years or more had not been reducing all of his balances with Arrow, but only those of accounts M and H. Arrow's agent then began to write to Mr M asking for payments towards Account B. They also discussed it on the phone with him.

Mr M complained to Arrow he felt it was unfair that they hadn't written to him to let him know he'd not been making payments towards the account since 2016 but had now written to him with no apology. He said he had been passed from business to business when dealing with Arrow and their agents. He also said they had been excessively calling him about the debt. Arrow didn't uphold his complaint and so he brought it here.

Our investigator thought Mr M's complaint should be upheld, he thought Arrow could have done more to keep Mr M informed about Account B and asked Arrow to pay £100 to recognise this. Arrow didn't agree and so the matter has 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.

I realise that I've summarised this complaint in less detail than the parties and I've done so using my own words. I've concentrated on what I consider to be the key issues. The rules that govern this service allow me to do so. But this doesn't mean that I've not considered everything that both parties have given to me. Having done so I will be upholding this complaint, I'll explain why.

Mr M's last payment to Account B was in September 2016, when the provider of his debt management plan told him it would no longer be providing the service but would set up payments with his creditors for him. So, although Mr B had stopped paying towards Account B he had made the payments that had been arranged for him, so I think it's reasonable to believe he wasn't aware he was no longer paying towards this particular account.

Arrow has provided system notes showing it wrote to Mr M in 2018, the note don't say what address the letters were sent to. As it's not clear where this letter was issued to, I can't fairly say Mr M should have received this letter.

There is another system note in February 2020 saying they issued an annual statement to Mr M at Address B. Although this was at a time that Arrow say they thought Mr M didn't live at this address, he has told us he lived there until September 2020. So, I'm satisfied that this letter is the first letter I can fairly say Mr M should have received about Account B after payments stopped in 2016. Although Mr M says he didn't receive any letters before 2021, I'm persuaded this was sent. Even if there was a problem with the post that prevented Mr M from receiving it, that's not something I can fairly hold Arrow responsible for. So, I don't agree with Mr M that it was nearly six years before Arrow made him aware of Account B's outstanding balance.

Even if I accept that Arrow sent the 2018 letter to the correct address – it still means they left matters for two years without updating Mr M. And this isn't what I'd expect. They should have written to Mr M to ask him why his payments had stopped in 2016, they have a responsibility to provide statements and updates to Mr M on his accounts and so I can't say they have treated Mr M fairly by not doing this. Arrow has said that Mr M hasn't kept them up to date with his address details, but I don't agree as their agent sent a letter to Mr M at Address B in 2016 agreeing the direct debit on one of the other Arrow accounts. So, I think they did have access to this information and could have applied it across his accounts. Mr M feels the amount of contact from Arrow following his call with them in July 2021 has been excessive and he feels they contacted him on the phone too much, but I haven't seen any evidence to suggest this is the case. From the evidence provided I can see Arrow spoke with him once on the phone after his initial call to them and they have written to him on handful of occasions. As they have a legitimate reason to contact him regarding the debt owed on Account B I don't think this was an unreasonable amount of contact.

Mr M has also told us that he felt as if he was “pushed from pillar to post” when trying to deal with Arrow and their agents. I understand dealing with lots of different parties can be confusing and daunting, but as the owners of the account Arrow are entitled to appoint other businesses to administer the accounts on their behalf, so I can’t say they did anything wrong when they did this.

Mr M hasn’t lost out financially in the years he hasn’t been paying towards Account B, as no interest or fees have been added to the balance, so the debt has not increased. And although I appreciate this will now take him some time to pay Account B off, he has been in a position where his monthly outgoings have been lower than they would have been had he been paying towards it.

Taking into account all of the above I do think Arrow let Mr M down when they failed to update him about his account for possibly four years, but at least two. Because I think had they done so, he would have acted to make payments towards it sooner. And so, I think they should compensate him for this, I think £100 is a fair reflection for this error.

Putting things right

Arrow should now pay Mr M £100 for the lack of updates provided to him on Account B from 2016 until 2020.

My final decision

For the reasons set out above, my final decision is that I uphold Mr M’s complaint about Arrow Global Limited, and I now require it to put things right as described above.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr M to accept or reject my decision before 28 October 2022.

Amber Mortimer
Ombudsman