

## **The complaint**

Mrs B complains that despite agreeing a partial settlement for a debt owned by Arrow Global Limited trading as Arrow Global the full account balance was later returned to the original lender.

## **What happened**

Mrs B had a credit card with a business I'll call V. The credit card was closed at default and sold to Arrow in May 2020. Mrs B has explained she was subject to a Debt Management Plan (DMP) and in June 2021 Arrow agreed to accept a partial settlement. Once the partial settlement was made, a balance of £939.13 remained. Arrow agreed it wouldn't pursue Mrs B for the remaining balance.

Last year, Mrs B complained that V had lent irresponsibly. V went on to uphold Mrs B's complaint and issued a final response. Mrs B has sent us a copy of V's final response which says it was unable to satisfy itself that the lending was suitable. V advised the outstanding balance of £3,554.95 had been sold to Arrow and would need to be retrieved. And V said that if an outstanding balance remained, any refunds it made would be used towards repaying it.

Mrs B says there were delays in the buyback process from Arrow. The account buy back was requested in October 2022 and Arrow says it was processed in December 2022 after it clarified information with V.

When the account was returned to V, Arrow noted Mrs B had paid a partial settlement of £2,195 and that £939.13 hadn't been repaid. Arrow's advised that V requested a return of the full account balance.

Mrs B complained to Arrow and said that before she complained to V the account had been settled and she didn't owe any money. But despite having her irresponsible lending complaint against V upheld, Mrs V now owed £939.13 that formed part of the partial settlement.

Arrow sent Mrs B a final response but didn't uphold her complaint. Arrow agreed it had accepted a partial settlement in June 2021. But Arrow advised that despite accepting a partial settlement the balance wasn't cleared. Arrow advised that by accepting a partial settlement it agreed not to pursue Mrs B for the remaining balance. Arrow also advised that V had contacted it in November 2022 and requested a buy back of the full account balance which was £3,554.95.

Mrs B referred her complaint to this service and it was passed to an investigator. They thought there had been some avoidable delays in completing the buyback process and asked Arrow of pay Mrs B £100 for the distress and inconvenience caused. But the investigator wasn't persuaded Arrow had acted unfairly in the way it returned the account to V.

Mrs B responded to the investigator and confirmed she was willing to accept. But, despite several requests chasing Arrow's response, it didn't confirm whether it was willing to accept. As Arrow didn't respond to the investigator's view, Mrs B's complaint has been passed to me 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.

I've reached broadly the same position as the investigator in this case. I understand Mrs B reached an agreement via their DMP administrator that Arrow would accept a partial settlement and cease trying to collect the remaining balance. But that was an agreement Mrs B reached between her and Arrow. And as Arrow's final response said, the partial settlement didn't repay the balance in full, only that it wouldn't chase the outstanding balance. I understand why Mrs B may feel it's unfair for the full account balance to have been returned to V. But I haven't been persuaded that Arrow acted unfairly or made a mistake.

I agree with the investigator that there appears to have been avoidable delays in completing the buyback process. And I agree that the notes on file indicate that the process was only completed once Mrs B complained. I'm satisfied Mrs B was caught between Arrow and V and that the situation caused some inconvenience. Our investigator asked Arrow to pay Mrs B £100 for the distress and inconvenience caused. In my view, that figure fairly reflects how the buyback process impacted Mrs B and is a reasonable way to resolve her complaint. As I'm satisfied a payment of £100 for the distress and inconvenience caused is fair and reasonable in all the circumstances, I'm going to uphold Mrs B's complaint and proceed on that basis.

### **My final decision**

My decision is that I uphold Mrs B's complaint and direct Arrow Global Limited trading as Arrow Global to pay her £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 10 May 2023.

Marco Manente  
**Ombudsman**