

The complaint

Mr G complains about how Arrow Global Limited has dealt with his account.

What happened

Mr G makes a number of complaints about the management of his account which are well known to the parties. In summary he says Arrow has mismanaged his account and has caused him distress and anxiety in pursuing his debt.

Arrow doesn't accept Mr G's complaints but accepts not responding to Mr G's letter in 2022. It has apologised for that mistake and paid £50 compensation.

Mr G brought his complaint to us, and our investigator came to the overall view that Arrow should no longer pursue this debt. The investigator thought Arrow had bought the debt in 2013 for just over £10,000 and some nine years later Mr G still owed £9,900. He thought it unfair for Mr G to continue making token payments.

Arrow doesn't accept that view and says Mr G's circumstances may change and it is entitled to pursue this debt.

Mr G accepts that view.

I asked Mr G for more detailed information about his finances and medical position which he has now provided. In summary Mr G has provided medical evidence providing a diagnosis of Post Traumatic Stress Disorder (PTSD) and evidence of disability benefits.

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 so I have come to the overall view that Arrow should buy back this debt, as it appears to have sold it whilst this complaint is being dealt with, and write off the balance.

Our general position in complaints of this type is to conclude that a business is entitled to pursue a debt where it is fair and reasonable to do so. We consider if as here there is a solid contractual basis for that debt to be pursued and accept that a customer's position can change through a number of different circumstances. We also consider the rules set out by the Financial Conduct Authority (CONC 7.2 and 7.3) in dealing with those with mental health problems and other medical issues. Those rules say that a creditor should consider writing off a debt where there are long term mental health conditions with little likelihood of improvement and where it is highly unlikely that the debt can be repaid.

I appreciate that both sides provide conflicting views of the management of Mr G's account. In the light of my decision here I don't need to consider those arguments or make a decision on them.

I'm satisfied having looked carefully at Mr G's medical evidence and evidence of the type of

benefits he receives, that he has clear long term health issues. I'm satisfied that he has been diagnosed with PTSD as well as an anxiety disorder and has been out of work for over 20 years. He is 54 years of age and I think on balance that it's highly unlikely that his health position or job prospects are likely to improve. It is also clear that he is and has been for many years in financial difficulties which show no prospect of improving. I can see from Mr G's medical letter that he has suffered from some of the medical problems for over 15 years and has been prescribed medication.

So, I'm satisfied that, whilst Arrow is owed money by Mr G, it would be unfair for it to continue to pursue the debt in these circumstances and where I'm satisfied there is no realistic prospect of his position improving. I'm also satisfied that this complaint meets the criteria for us to make, what I accept is, the unusual decision to make such an order. I also consider that in the last 10 years the debt has reduced by a minimal amount.

Putting things right

Arrow should buy back the debt if it has sold it and write off the balance.

My final decision

My final decision is that I uphold this complaint in part and order Arrow Global Limited to buy back Mr G's debt and write it off, no longer pursuing him for it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 26 August 2023.

David Singh
Ombudsman