

The complaint

Ms A has complained about JC International Acquisition LLC reporting a default on her credit file.

What happened

This complaint surrounds an insurance contract which went unpaid in 2022. The insurer defaulted it and then sold the debt to JC in 2023.

From February 2023, JC sent Ms A various communications about the debt. In August 2023, Ms A complained, saying she didn't recognise what it was for. She then found out it was for her insurance, but explained she hadn't intended to renew in 2022, and she thought the debt was invalid.

JC removed the default on instructions from the insurer. And they closed the account as a gesture of goodwill.

Ms A came to our service. She was also unhappy that JC hadn't sent her an arrears notice or default notice, and she said she never got the notice of assignment. She worried that the account would be passed on again.

Our investigator looked into things independently and didn't uphold the complaint. They found that JC sent the notice of assignment to the correct address, they didn't have to send a new default notice as they were just continuing to report the insurer's existing default, and they'd removed the default now in any case. They explained that the crux of the complaint was about the insurer's actions and should really be directed against the insurer.

Ms A asked for an ombudsman to look at her case against JC afresh, 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.

Like our investigator explained, I'm afraid that Ms A has really complained about the wrong company. Her complaint would be much better directed against the original insurer.

I can only hold JC responsible for things which JC did. One of Ms A's key complaint points is that she disagrees with the way the account was opened and the debt was formed. But JC didn't do that, the original insurer did. So I can't hold JC responsible for that. Similarly, Ms A is particularly unhappy that the account defaulted. But JC didn't default the account, the original insurer did. So I can't hold JC responsible for that either.

Ms A noted that JC didn't send her a default notice. But they didn't have to. They didn't default the account in the first place, and the default they reported on her credit file was not a new or second default – it was simply a continuation of the default that the original insurer had already registered. If the original insurer didn't send Ms A a default notice, then – again – that's something she would need to take up in a complaint against the original insurer, rather than JC.

I appreciate that Ms A doesn't recall receiving the notice of assignment. But I can see from the electronic records that it was sent to the address on file, which is the same address that Ms A gave us. So I'm reasonably satisfied that JC did send it correctly, even if it's possible that Ms A didn't get it, for example if it got lost in the post. I can see that from February 2023 onwards, JC sent Ms C a number of letters, emails, and texts, to the contact details she'd given the insurer. So I think they did make sufficient efforts to make her aware that they now owned the debt.

I also appreciate that Ms A is worried that the debt will be passed on again. But JC have confirmed to us in writing that the account is fully closed and no further action will be taken.

So I don't have a reasonable basis on which to tell JC to do anything further. They've already removed the default and closed the account, writing off Ms A's balance at their own expense. And the crux of Ms A's complaint is about things the insurer did, rather than JC. So her complaint would be better directed against the insurer. If Ms A would like to pursue the insurer, she can contact them directly, or she can ask our investigator for help setting up a separate case.

My final decision

For the reasons I've explained, I don't uphold this complaint against JC International Acquisition LLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 19 March 2024.

Adam Charles
Ombudsman