

## The complaint

Mr S complains Arrow Global Limited harassed him for two years on a debt that was statute barred and have wrongly been reporting it to the Credit Reference Agencies (CRA's).

In addition, Mr S says he was incorrectly told Arrow had secured a County Court Judgment (CCJ) against him.

Arrow has used agents to engage with Mr S, but ultimately they're responsible for these agents actions – so I've primarily referred to Arrow in this decision.

## What happened

I issued a provisional decision setting out what'd happened, and what I thought about that. I've copied the relevant elements of this below, and they form part of this final decision.

*Arrow said Mr S' debt was an overdraft with a bank which they purchased on 28 February 2017. They said the outstanding balance was £1,528.02 and had been defaulted on 28 August 2015.*

*From the information I have Mr S called Arrow on 15 March 2023 to say the account should be recorded as statute barred. But, on the call, Arrow said the account wasn't statute barred and actually they'd got a CCJ against him. This was the first Mr S had heard of this, so he wanted information about the CCJ. Mr S also complained the debt was showing on his credit file in January 2023.*

*The following day on 16 March 2023 Arrow confirmed to Mr S the account actually is statute barred, and no CCJ had been granted against him. They added they've now arranged to close the account and Mr S won't hear from them further. The outstanding balance at this time was £1,528.02.*

*Unhappy with the response from Arrow he raised a complaint about their contact with him. He also complained about the incorrect information regarding the debt being statute barred and whether a CCJ had or hadn't been granted against him.*

*In response to Mr S' complaint Arrow said they use a carefully selected group of specialists to help them manage their accounts. They said Mr S' account had been placed with three such companies. But, as no payments were made, Arrow started legal action and a claim form was issued on 22 June 2018. They said normally a CCJ would follow this, but no further action was taken. Arrow added that a debt usually becomes statute barred if there have been no payments or acknowledgement within the last six years, but the debt itself remains owed. So, they can still contact him to discuss it.*

*Despite that, in discussions with the last of their specialist companies, Arrow said they recognised the account could be closed in line with the Statute of Limitations. So, they'd done that now. This meant the balance would remain outstanding on their system, but Mr S will no longer receive any contact from Arrow or anyone acting on their behalf about this debt. Finally, they said the account defaulted in August 2015, so the default marker should*

*have expired from Mr S' credit file in August 2021 as a default marker only appears on a credit file for six years. Arrow asked Mr S to send evidence in about the default marker still showing in January 2023 if he had any, and overall didn't uphold his complaint.*

*Unhappy with Arrow's responses Mr S asked us to look into things. As part of our standard process, we asked Arrow for their file. They replied, providing their information, but also made an offer of £150. They said when they reviewed Mr S' complaint they didn't address his concerns they'd told him a CCJ had been granted and should have.*

*One of our Investigators considered things and ultimately felt Arrow's offer of £150 was fair – this figure was paid to the account Mr S nominated. But Mr S overall wasn't happy with the outcome of the case, so the complaint's been passed to me to decide.*

### ***What I've provisionally 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.*

Harassment of a statute barred debt

*Mr S says he's been harassed regarding the debt as its statute barred. I think, essentially, what Mr S is saying is that because Arrow have asked him to repay the debt, and it was statute barred at the time, that's harassment.*

*I need to make it clear I can't make a legal finding on whether Mr S has been harassed or not, as that's a criminal offence. Instead, I'm required to decide whether Arrow have treated Mr S fairly and reasonably in their dealings with him when asking him to repay this debt.*

*I also need to explain I can't decide if the debt was statute barred, or when that happened, as only a court can do that.*

*So what I need to decide here is whether Arrow were pursuing Mr S for this debt when they shouldn't have been and causing him unnecessary upset by doing so.*

*The regulator the Financial Conduct Authority sets out rules regarding statute barred debts in the Consumer Credit sourcebook (CONC).*

*CONC 7.15 deals with statute barred debts. And the following are relevant:*

- CONC 7.15.1 – A debt is statute barred where the prescribed period within which a claim in relation to the debt may be brought expires. In England Wales and Northern Ireland (where Mr S does reside), the limitation period is generally six years in relation to debt...
- CONC 7.15.2 – In England, Wales and Northern Ireland, a statute barred debt still exists and is recoverable.
- CONC 7.15.4 – Notwithstanding that a debt may be recoverable, a firm must not attempt to recover a statute barred debt in England, Wales or Northern Ireland if the lender or owner has not been in contact with the customer during the limitation period.
- CONC 7.15.5 – If the lender or owner has been in regular contact with the customer during the limitation period, the firm may continue to attempt to recover the debt.
- CONC 7.15.6 – A firm must endeavour to ensure that it does not mislead a customer as to the customer's rights and obligations.

- CONC 7.15.7 – It is misleading for a firm to suggest that a customer may be the subject of court action for the sum of the statute barred debt when the firm knows, or reasonably ought to know, that the relevant limitation period has expired.
- CONC 7.15.8 – A firm must not continue to demand payment from a customer after the customer has stated that he will not be paying the debt because it's statute barred.

*Working through the rules Arrow bought this debt in February 2017, and as the limitation period is generally six years – that'd take us to February 2023. Mr S seems to have got in touch with Arrow telling them the debt was statute barred in March 2023. So, even if Arrow weren't in the process of marking his account as statute barred, I'd likely have expected them to be doing so shortly after Mr S' contact based purely on the date they bought the debt.*

*That said, Arrow have recorded the date of the last payment as being in December 2015 – so I do have a question over whether they should have realised the account was statute barred in / after December 2021. I'll come back to this.*

*The next part of CONC allows Arrow to continue to try and recover a payment if the debt is outstanding. I've seen nothing to suggest the debt isn't outstanding, so I don't think Arrow have done anything wrong in asking Mr S to repay it.*

*CONC 7.15.4 says Arrow can't recover the debt if they haven't been in touch with Mr S during the limitation period and CONC 7.15.5 says they can if they have been in touch with him. And this is his precise complaint, that they have been in touch with him, and too regularly. I arranged for us to ask Mr S for copies of any and all communication he'd received from Arrow. As part of that, I asked if he could specifically highlight what parts of the contact he'd received he felt was harassment. Mr S didn't provide any documents, and said Arrow are required to have all of this.*

*I also arranged to ask Arrow for this information. They gave us one screenshot which suggested their agents had been in touch with Mr S, but not very often. They didn't give us copies of the correspondence.*

*I'm only able to decide cases based on the evidence provided to me. If Mr S would like to provide the information I asked for in response to this provisional decision I'm happy to consider it. In the absence of that evidence though, I'm required to decide things on what I think is more likely than not. Generally, I've found correspondence asking customers to repay a debt factual in nature. So, I think it's more likely than not the correspondence Mr S has received is simply asking him to repay the debt – and isn't treating him unfairly. As I say though, if Mr S wishes to provide specific examples he considers are treating him unfairly then I'll consider those.*

*CONC 7.15.6 says Arrow can't mislead Mr S about his rights. As far as I know, Mr S hasn't repaid anything towards the debt since December 2015 – and I've not seen any of the communication he's received. So, even if Mr S had potentially been misled about his rights, it'd appear this hasn't had an impact on him – because he's not paid anything towards the debt while Arrow have owned it.*

*Looking at the next section, Arrow have said Mr S was the subject of court action in error. They said they intended to get a CCJ against him in 2018. It seems unlikely the debt would have been statute barred at that time, as the last payment was made three years earlier. And Arrow didn't follow through on getting the CCJ.*

*The final section, CONC 7.15.8 says Arrow can't keep asking Mr S for payment, on a statute barred debt, when Mr S has said he won't be paying. Again, I've seen no evidence Arrow did ask Mr S to repay the debt after he (correctly it would appear) told them the debt is statute barred.*

*So, in terms of whether Arrow have treated Mr S fairly – overall I think they have. Although they may (or should reasonably) have known Mr S' debt was statute barred earlier than when he told them, I've not been able to identify any unfair impact on him.*

CCJ

*The next issue to address is Arrow giving Mr S incorrect information about whether they'd applied for a CCJ or not. When Mr S called, Arrow told him they had applied for a CCJ, but realised the following day this was an error. They contacted him without delay to tell him that, and confirmed the debt was statute barred.*

*For this, they paid Mr S £150. I don't doubt this would have caused Mr S worry, but had Arrow not provided compensation, I may have said an apology was a fair remedy given the extremely short timeframe in which Mr S was in receipt of the wrong information. So I think £150 to recognise this error is more than enough in the circumstances.*

*In part I say this because I want Mr S to understand that, if he does choose to provide further information, I could find some of those contacts have treated him unfairly – but overall I still think they've acted fairly. That's because I need to look at things holistically and I don't think I'd likely have awarded the £150 Arrow have already paid. So, hypothetically, if Mr S provides evidence which I find he was treated unfairly, I'd need to be satisfied the appropriate remedy for that would be in excess of £150.*

Mr S' credit file

*Finally, I understand Mr S has concerns about the debt continuing to show on his credit file – and he says this was as recently as January 2023. We asked Mr S if he had evidence from the time to show this – something like a credit report he'd downloaded when he first noticed this. He told us he didn't.*

*We asked Arrow for information about what they were reporting. They said they couldn't see they'd been reporting the debt in January 2023 as Mr S said they were.*

*In the absence of evidence to show what Arrow were reporting, I can't reasonably say they've done anything wrong.*

### **Responses to my provisional decision**

Arrow replied and said they had nothing to add.

Mr S replied on 12 January 2024 to say I'd missed out various points in his complaint. The deadline was reiterated to Mr S of 26 January 2024, after which he unfortunately said he was in hospital, and asked for an extension to the end of February 2024. I granted that, so the new deadline was 1 March 2024. On 4 March 2024 Mr S told us he was still in hospital and we've added to his stress.

Prior to issuing my provisional decision, I asked Mr S if he had any further information he wanted to provide, and he didn't provide any. He's then had nearly two months since I issued my provisional decision to provide more information and hasn't. In his latest response, he's said we're adding to his stress. I'm genuinely sorry to hear of the difficulties

Mr S is experiencing. In the circumstances and given the timeframe in which Mr S could have provided more information but hasn't, I think it's best to draw this matter to a close for the benefit of all parties – which is why I've now issued my final 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.

As Arrow didn't have anything further to add, and Mr S hasn't provided any further information, I see no reason to change the outcome I reached in my provisional decision. I think Arrow put matters right fairly, and I've no evidence to suggest otherwise.

### **My final decision**

For the reasons I've explained above, I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 3 April 2024.

Jon Pearce  
**Ombudsman**