

The complaint

Mr C has complained that Intrum UK Limited recorded missed payments on his credit file when he had continued to pay the original lender.

What happened

This complaint surrounds a loan, which was opened in 2013 and sold to Intrum in 2022. It had not defaulted, and Mr C had a payment arrangement in place with the original lender, which Intrum continued to honour.

Intrum sent Mr C the notice of assignment, where both they and the original lender confirmed that Intrum now owned the debt, and that Mr C should now pay Intrum. The original lender said that any payments made towards Mr C's original account would be forwarded to Intrum.

Mr C didn't believe his debt had really been sold, and continued to pay the original lender. But as his account with the original lender had been closed, his payments sometimes went into a suspense account or were forwarded to Intrum late. As Intrum were not receiving Mr C's payments on time, they recorded missed payments on his credit file.

Our investigator looked into things independently and didn't uphold the complaint. Mr C appealed, so the complaint's been passed to me to decide.

I sent Mr C and Intrum a provisional decision on 29 February 2024, to explain why I thought the complaint should be upheld in part. In that decision, I said:

Based on what I've seen so far, I don't think either side handled this matter particularly well.

Mr C refused to pay Intrum until he had a letter from the original lender confirming they'd sold the debt to Intrum. But the notice of assignment – which was an official document – included a letter from the original lender confirming they'd sold the debt to Intrum. And I can see Intrum sent Mr C several copies of that notice. Intrum were not required to get the original lender to write to him again. Intrum are a long-standing, fully-regulated financial business, who Mr C could look up. And if Mr C were really that concerned, he could have just phoned or emailed the original lender and asked them if they'd sold the debt. But according to the original lender's contact records, he didn't do so.

Intrum, on the other hand, have recorded missed payment markers for payments which Mr C did make, and which they have received. The payments were £10 a month, and I can see they received £140 over the 14 months in question. Yes, Mr C did pay the wrong party, but then the original lender did say they'd forward any future payments to Intrum. So Mr C had a reasonable basis to believe that he wasn't risking any missed payments by continuing to pay the original lender. If the original lender failed to forward the payments in time, then Intrum can take that up with the original lender.

So thinking about what's fairest: Mr C did make his payments, to the party he borrowed from, who he – albeit wrongly – thought was still the correct party to pay, who'd said they'd get the payments to the right place in any case. And Intrum have received the payments they were due for the months in dispute. So if Mr C made his payments, and Intrum have received them, and their lateness appears to be the fault of a third party, then I don't think it's most accurate to record them as missed payments on Mr C's file. And credit files are supposed to be an accurate reflection of what happened, as best as is possible.

Taking all the above into account, I currently think the most reasonable thing is for the missed payment markers to be removed, and the account to be recorded as up to date for the months in dispute. The payment arrangement can then continue.

With that said, going forward, Mr C will need to pay Intrum directly. He asked our service for our independent view, and our service has informed him that Intrum owns his debt. So Mr C now has no reasonable basis on which to believe they don't.

As I have found that Mr C also bears substantial responsibility for things going wrong here, and not just Intrum or the original lender, I do not plan to award any compensation to him, nor to tell Intrum to pay the costs he set out.

I said I'd consider anything else anyone wanted to give me – so long as I received it by 28 March 2024. Intrum accepted the provisional decision. Mr C didn't respond.

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.

Neither side have sent me any new evidence or arguments. So having reconsidered the case, I've come to the same conclusion as before, and for the same reasons as set out in my provisional decision above.

My final decision

I uphold Mr C's complaint in part, and direct Intrum UK Limited to remove the missed payment markers in dispute.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 29 April 2024.

Adam Charles
Ombudsman