

The complaint

Mr F complains Capquest Debt Recovery Limited gave him incorrect information about his debt.

What happened

Mr F had an outstanding debt with Capquest for an overdraft accrued with a bank who I'll refer to as T. The debt became Scottish statute barred – which meant it ceased to exist. Mr F said this occurred in 2021 – and he'd told Capquest this on 31 May 2023 – so was concerned when they wrote to him on 5 July 2023 saying he remained liable for the outstanding balance. Mr F says on 11 July 2023 Capquest finally told him the account had been closed as Scottish statute barred.

Separate to Mr F's contact with Capquest, T had carried out a remediation project, and found they'd overcharged Mr F – so refunded him some money. This happened in June 2023 and in line with usual processes, said they'd send the refund to Capquest to reduce his outstanding debt with them. Mr F called Capquest on 19 July 2023 and asked for this to be refunded to him, but he was told this wouldn't happen because there was still an outstanding balance. Mr F complained about this, as he said the debt was Scottish statute barred meaning it no longer exists, and he'd already been told the account had been reduced to zero, so the refund from T was due to him – not Capquest.

Capquest replied to Mr F's three key complaint points – the balance should have been reduced to zero, the contact on 5 July 2023 was an error, and Capquest had given him wrong information on 19 July 2023 when they said he wouldn't be refunded any money as they should have refunded the amount from T to him. Capquest paid Mr F £100 compensation at this point, but said they'd recorded his complaint as partially upheld as they didn't agree the balance being reduced to zero or the contact of 5 July 2023 were errors.

Mr F challenged the outcome Capquest had reached – and in response they accepted the contact of 5 July 2023 was an error for which they'd pay a further £100 – but otherwise their decision remained the same as their previous outcome.

Mr F wasn't satisfied with this. He asked us to look into things saying it seemed as though Capquest had accepted they'd made an error on all three points – so should be recording his complaint as fully upheld. Mr F also let us know the refund he was due from T was ultimately received by him from T directly – as they'd not actually sent any money to Capquest.

One of our Investigators ultimately upheld Mr F's case, saying they'd found Capquest had told Mr F his refund from T could be applied to the outstanding balance – even though that balance should have been zero. For this error, our Investigator thought £100 was fair compensation.

Mr F accepted this, but Capquest didn't. They said they'd addressed this in their previous complaints and where they'd issued £200 compensation in total. Because Capquest didn't think this was fair, 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.

I don't think Capquest's letters are as clear as they could be – but I think our Investigator and Mr F have taken reasonable interpretations of them to say the issue of the balance being reduced to zero and this being incorrectly communicated on 19 July 2023 when Mr F was told the refund from T would be applied to the account (as the two issues are indisputably linked) hasn't been upheld by Capquest. I also note Mr F attempted to clarify this with Capquest, but they didn't clearly explain their position.

Given that, I'm satisfied it's appropriate to now consider whether I should uphold this aspect of Mr F's complaint, and if so how to put matters right.

I've got clear evidence Capquest had accepted Mr F's account was Scottish statute barred on 11 July 2023. This is an email from Capquest's subject access request (SAR) team and says "...and it has been identified that this account is Scottish Statute Barred and the account has been closed".

With that in mind, I think it's fair for me to uphold the issue of Mr F being told the wrong information on 19 July 2023. At this point, he'd told Capquest this on 31 May 2023, had subsequently had it confirmed – and was now asking for T's refund to be paid direct to him.

Given all of the above, I'm satisfied Mr F was caused some frustration and inconvenience as a result of Capquest's errors – and I think £100 is fair to put this matter right. This is in addition to the previous £200 Capquest have already paid Mr F for matters involved in this complaint.

My final decision

I uphold this complaint and require Capquest Debt Recovery Limited to pay Mr F £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 12 June 2025.

Jon Pearce Ombudsman