

## **The complaint**

Miss H has complained about the actions of PRA Group (UK) Limited (PRA) when dealing with a debt they are pursuing her for.

## **What happened**

PRA are pursuing Miss H for a debt that accrued on a credit card she had. The original lender (OL) defaulted the account Miss H fell behind on her payments and in March 2023 sold the debt to PRA when. OL sent Miss H a goodbye letter at this time letting her know the account had been sold and PRA sent her a Notice of Assignment (NoA) letter letting her know they were now the owners of the debt.

PRA later assigned the account to another company (AC) within its group, as part of a restructure, but remained responsible for the servicing of it. A NoA was issued to Miss H explaining this to her.

Miss H made requests to PRA for various documents to verify the debt including a true or reconstituted copy of the credit agreement and statements for the account, the default notice for the account, a copy of the Deed of Assignment (DoA) and a Deed of Novation (DoN). She also insisted that as there was no signed contract in place between her and PRA they shouldn't be pursuing her for the debt.

Miss H sent the following to PRA:

- A Vulnerable person notice – asking for the debt to be returned to the creditor
- A Cease-and-desist letter
- A notice of conditional acceptance – with a schedule of fees along with invoices for fees she said they had incurred
- A Data Subject Access Request (DSAR) (April 2023)

PRA said they had provided Miss H with the NoA and they were under no obligation to provide her with the DoA as it contained commercially sensitive information. They explained there was no DoN as this is only needed when a new agreement is replacing the old one and that wasn't the case here as when the account was sold the agreement wasn't replaced, but PRA took over the original agreement in place of OL and in turn AC took over the agreement from PRA.

When responding to the DSAR they provided Miss H with a copy of the default notice sent by OL. But they didn't provide her with a copy of the credit agreement in the specified timeframes and so explained that the account had become temporarily unenforceable at that point, but they were still entitled to collect the debt on behalf of AC. They said they had asked OL to provide copies of the documents and would pass them on when they received them.

They received a reconstituted copy of the credit agreement and statements of the account in May 2023 and passed the copy statements to Miss H. But didn't pass the reconstituted credit agreement to her until February 2024.

PRA explained they had a genuine reason to contact Miss H as the debt was valid and owing – even during the time that it was temporarily unenforceable. They said there was no need for them to have a signed contract in place with her to be able to collect the debt. They also let her know that they did not agree to the terms she had set out in the notice of conditional acceptance and would not be paying any of the fees she had laid out.

As she wasn't satisfied with the answers from PRA Miss H brought her complaint to our service part of that complaint was that she was being harassed by PRA in relation to the debt.

Our Investigator partially upheld Miss H's complaint. In summary they said:

- PRA didn't need to provide Miss H with the DoA as the NoA was sufficient.
- Miss H may have misunderstood what she was asking for when she sent the vulnerable person notice to PRA asking for the account to be returned to the creditor – as this is for when a debt collector is appointed to collect debt on behalf of the OL rather than when the debt is sold as in Miss H's case where the debt purchaser becomes the creditor.
- It's not for our service to determine if a debt is enforceable – only a court can do this, but we could look at if PRA were acting fairly when pursuing the debt. They thought they were given PRA had now provided documents to verify the debt. And they agreed PRA had genuine reasons for being able to contact Miss H in pursuit of the debt.
- PRA group should have provided Miss H with the reconstituted credit agreement when it received it from OL in May 2023 rather than waiting until February 2024 and recommended they pay her £150 to compensate her for the delay

PRA accepted the Investigator's findings. Miss H didn't – she made the following points:

- There needed to be a contract in place between her and PRA for any money to be owed and so PRA are committing fraud by abuse of position
- She wanted copies of any bi-lateral or tri-lateral agreements relating to the account
- PRA's refusal to supply her with the DoA ignores her lawful request
- PRA's previous offers to her of discounts to settle the account, suggest dishonest business practices

Our Investigator didn't think her arguments changed anything. I've summarised in my own words his response:

Our service can make a finding on fraud as that is a criminal offence so only a court can comment on this. Debt purchasing is a legitimate area of financial services and is a regulated activity. This activity doesn't require there to be a signed contract in place between her and PRA in order for them to pursue the debt.

The NoA meets PRA's obligation to confirm ownership of the debt, and Miss H has had a copy of the reconstituted credit agreement and statements so there is no requirement for PRA to provide anything else to her to prove the validity of the debt, including a copy of the DoA.

PRA are entitled as the debt servicers to offer discounts to Miss H to settle the account.

As no agreement was reached the matter has 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 realise that I've summarised this complaint in less detail than the parties and I've done so using my own words. I've concentrated on what I consider to be the key issues. The rules that govern this service allow me to do so. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless it's relevant to the crux of the complaint.

At its core Miss H's argument is that without a signed contract between her and PRA, there is no basis for them to collect the debt they say is owed. To prove the debt Miss H wants PRA to provide copies of the DoA and any bilateral agreements, or to stop pursuing her.

I don't agree that there must be a signed agreement between Miss H and PRA in order for PRA to pursue the debt. Accounts are sold from businesses to business, all the time, without the need for any new contracts to be put in place between the purchaser and the consumer. And I have seen nothing in any of the rules set out by the regulator, to say otherwise. As there are no new contracts here, there are no new bi-lateral or tri-lateral agreements for PRA to share with Miss H, so I can't ask PRA to share something that doesn't exist with her.

Turning to the DoA, CONC 6.5.2 says:

*Where rights of a lender under a regulated credit agreement are assigned to a firm, the firm must arrange for a notice of assignment to be given to the customer...as soon as possible.*

I also note that Section 82A of the CCA says that where a creditor's rights under a regulated consumer credit agreement are assigned, then the assignee (in this case PRA and later AC) must arrange for NoAs to be given to the debtor (in this case Miss H). I am satisfied NoAs were provided both times the account was sold on.

I think Miss H has enough information to know that the debt was sold. I don't think it is necessary for PRA to provide a copy of the DoA to prove this. I say this because I've seen nothing in the regulations to say a business must send a consumer the DoA. The DoA is a contract between the buyer and the seller. These contracts often refer to a number of accounts that are bought in bulk in the hundreds and sometimes thousands and so the document will not solely relate to the sale of Miss H's account.

It follows I won't be asking PRA to provide a copy of the DoA to Miss H but if she wishes to continue to dispute the legal assignment of the debt, then she is free to do so in court.

Miss H has said that PRA's discounted offers to settle the account point towards dishonest business practices. But I have seen nothing to support her view on this and I have to say that discounted offers to settle accounts are common industry practice and are used to help people to clear debts early, saving money for both parties.

PRA delayed sending Miss H the copy of the reconstituted credit agreement, and in line with the investigator's findings agreed to pay Miss H £150 compensation for this. I think this is fair in the circumstances and won't be asking them to increase this.

Bringing all of this together, I think PRA have provided the documents required to prove they have a legitimate reason for contacting Miss H and that the debt is hers. So, going forward I would suggest Miss H work with PRA to work out an affordable repayment plan to settle the debt.

I do understand this isn't going to be the outcome Miss H was hoping for, and I recognise that she has been through an extremely tough time personally, but I hope given my explanation above she understands why I have reached this outcome.

### **Putting things right**

On acceptance of this decision PRA should pay Miss H £150 for the delays they caused in sending her the copy of the reconstituted credit agreement.

### **My final decision**

For the reasons set out above, I currently uphold this complaint and I require PRA Group (UK) Limited to carry out the actions as set out under the 'Putting things right' section of this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 11 July 2025.

Amber Mortimer  
**Ombudsman**