

The complaint

Mr H complains PRA Group (UK) Limited have contacted him regarding a debt that isn't recoverable.

A representative has supported Mr H in bringing this complaint so I've also referred to him in this decision.

What happened

As I understand it Mr H had a credit card account with T. The account fell into arrears, was defaulted in April 2018, and ultimately sold to PRA. A few months later, PRA sold the account to another company, but that company asked PRA to service the debt.

Mr H complained about the following:

- They had recorded his representative as the point of contact in October 2023, but he received a text directly in January 2024.
- There was a phone call in February 2024 again direct to Mr H.

Mr H's representative said he felt these contacts were deliberate and as such is harassment. He also complained about:

- The length of time it took PRA to provide copies of paperwork from T – when he called up in October 2023 he was told the information was 'readily available', but this wasn't provided until January 2024
- It'd appear PRA didn't undertake any due diligence, as Mr H was only paying £1 a month – which would take 754 years to recover the debt.
- The terms and conditions of Mr H's account require his approval before any sale – so T have been in breach of contract
- No full set of transactions have been provided to show how the balance of £9,049.19 accrued
- It should have been obvious to PRA as soon as they bought this account it was unrecoverable
- There has been ongoing contact with Mr H directly which amounts to harassment - as well as the text in January and phone call in February 2024, there was also a letter dated 30 May 2024 which was a request to move his repayments from T to PRA
- Different account and reference numbers seem to have been used

Mr H's representative said PRA should wipe the debt off, pay Mr H compensation of £9,049.19 and that he expects PRA to carry out an internal investigation to determine the extent of the problems he's identified.

Across a number of responses, PRA said:

- While they had Mr H's representative recorded by the time of the text in January 2024, and phone call in February 2024 to Mr H, they hadn't received a reply

from his representative – which is why they contacted Mr H. They said they were sorry for any inconvenience or stress Mr H experienced.

- In respect of the time to provide the documents, PRA explained they buy a large number of accounts at any one time, so don't usually get a lot of documents. Because of that, they were reliant on T providing them. And the reference to 'readily available' was about payments Mr H had made to them – not about the provision of documents.
- For the different account and references used, PRA explained this and said they all relate to the same account
- The account was recoverable, as the last payment of £1 was made on 23 June 2023 – and those £1 payments have continued.
- Although Mr H was only paying £1 a month, which PRA would honour for the first six months, they'd then look to review this figure to see the current situation.
- Under the Consumer Credit Act 1974 (CCA 1974) the full account history isn't required – just the last year – but they could see statements had been provided from January 2017 onwards.
- They offered Mr H the opportunity to have his account placed with their Customer Support Team who could consider a range of options for him depending on his circumstances.

In all but one of the points raised PRA didn't think they'd done anything wrong. But, they did say they shouldn't have contacted Mr H directly on 30 May 2024 to ask him to swap his payments from T to PRA – they should have written to his representative. For this, PRA offered £50 compensation.

Our Investigator considered everything – overall he thought PRA had acted fairly in most of the issues raised. He thought PRA shouldn't have contacted Mr H directly in January 2024, February 2024 and May 2024 – but thought the £50 offer for this was fair. So, overall, he didn't require PRA to do anything further.

Mr H's representative didn't accept this saying he wanted us to consider whether the debt was unrecoverable, regardless of whether it was unenforceable. He said there were four reasons this was the case:

- The account was opened in 2009, but there are no financial records between then and June 2012 so the current debt can't be verified
- The records that are available are fragmented and not cross referenced
- At one point Mr H's account was mixed up with someone with a similar name – T never properly investigated this
- PRA never acquired the rights to Mr H's full account – as the letter dated 1 August 2023 says PRA purchased the outstanding balance on account ***. But the earliest record of that account is January 2014 – so the opening balance on that account can't be verified.

Our Investigator reviewed all of these points, but still felt it was reasonable for PRA to ask Mr H to repay the debt.

Mr H's representative still didn't agree. Across a number of responses, he made the following further points which I consider relevant to this complaint (I've summarised his points using my own words):

- There is a material breach of contract when the consumer credit agreement was taken out.

- The terms and conditions sent to him from T, and that T / PRA provided to us, are totally different. As such he thinks it'd be appropriate for us to ask PRA to reassess whether they should continue pursuing the debt.
- The lack of chronological records showing how the balance accrued must mean the account isn't recoverable.

I'm aware Mr H has raised a separate complaint about T to our service and received an outcome. I can't make any findings regarding T in this decision, as it's against PRA.

In addition, Mr H also has a separate complaint set up against PRA regarding issues that occurred after 30 May 2024. So, I won't comment on anything after that date as I'll address it in a separate 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.

I think it's important to firstly explain I've read and taken into account all of the information provided by both parties, in reaching my decision. I say this as I'm aware I've summarised Mr H's complaint in less detail than he has. If I've not reflected something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. 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 I think it's relevant to the crux of the complaint.

It'll be helpful to also explain the basis on which I'm required to decide the outcome of cases. This is set out by the Financial Conduct Authority (FCA) in the Dispute Resolution (DISP) rules.

DISP 3.6.1 says

The Ombudsman will determine a complaint by reference to what is, in his opinion, fair and reasonable in all the circumstances of the case.

And DISP 3.6.4 says:

In considering what is fair and reasonable in all the circumstances of the case, the Ombudsman will take into account:

(1) relevant:

(a) law and regulations;

(b) regulators' rules, guidance and standards;

(c) codes of practice; and

(2) (where appropriate) what he considers to have been good industry practice at the relevant time.

So, although I'm required to take into account things such as the law – which Mr H's representative has referred to at times, I'm ultimately required to decide things on a fair and reasonable basis.

I can see Mr H's representative understands this, but I think it's important for context purposes to set out what I can and can't do regarding an unenforceable debt.

I can't decide if an account is unenforceable. Only a court can. PRA could also decide to treat the account as unenforceable, in which case I'd then apply certain rules / guidance to that – but they've said a payment was made as recently as June 2023 so the account isn't unenforceable.

Mr H's representative says the account isn't recoverable, and more recently has said there are three reasons for this:

- There was a material breach of contract when the account was taken out
- There are differences in the terms and conditions shared with him
- There is no full transaction listing

I can't decide if there was a material breach of contract when the account was taken out – as that'd be a complaint for T to address, not PRA. As I can only consider a complaint against PRA, from their perspective they bought a legitimately owed debt – so subject to other considerations they're not doing anything wrong in asking Mr H to repay it.

My answer for Mr H's concern that there are differences in the terms and conditions is the same – this would be something for T to address. I would add though it's clear some of the terms have evolved over time, so it's entirely possible this is the reason for the difference.

Finally, Mr H's representative also says there has to be a full transaction listing from the account opening. Mr H's comment here could be construed as a Section 78 of the Consumer Credit Act 1974 (S78) request.

S78 deals with the provision of both a copy of the credit agreement – and a statement of the account – if the borrower requests it.

Having read through S78 I can't see any requirement for businesses to have to provide a full historical transaction list in the way Mr H's representative has suggested.

The FCA has also published some guidance on how businesses such as PRA should interpret a S78 request – in the Consumer Credit Sourcebook (CONC) – CONC 13.1.2 says:

(1) The FCA takes the view that sections 77, 78 and 79 of the CCA should be read in a way that allows the borrower or hirer to obtain the information needed in order to be properly informed without imposing unnecessary burden on firms.

(2) The statement referred to in the relevant section must be prepared according to the information to which it is 'practicable' for the firm to refer. In the FCA's view, this means practicable at the time of the request and includes information which can reasonably be obtained from third parties.

(3) Firms should take steps to ensure that information is preserved and kept available to be used to give information to a borrower or hirer.

Part (3) refers to keeping information to be able to give to the borrower or hirer – but part (2) says a request for statements must be practical at the time of the request.

Mr H's representative asked for statements for an account opened in 2009 around 14 / 15 years later. While this isn't something I can hold PRA responsible for, I should say that I wouldn't expect T to have kept records for that long, given normally businesses only keep records for six years. In addition, Mr H has been given statements from 2012 onwards and

hasn't raised any disputes about the spending during that time. In my view if Mr H genuinely thought any of the balance of his account between 2009 and 2012 wasn't made up of his own spending, he'd long be out of time to raise that complaint. Bringing all this together, I don't think PRA are acting unreasonably in asking Mr H to repay the balance they say is outstanding.

I'd also observe Mr H doesn't dispute the account itself is his. So, from that alone I'd say it's fair and reasonable for PRA to ask Mr H to repay it.

PRA contacting Mr H directly

Mr H's representative has made it clear that Mr H isn't to be contacted directly.

PRA say on a couple of occasions they did contact him in error – but there are also some regulatory notices they're required to send direct to Mr H.

I've seen the information given to PRA by T – this didn't include Mr H's representative's details. So, I think up to the point he got in touch, it was reasonable for PRA to have contacted Mr H.

I am sorry to have read about the impact on Mr H for this contact, and I genuinely hope he is feeling better. But, I can only say PRA have done something wrong if they did make an error. Without them being told Mr H shouldn't be directly contacted, I can't say they did initially.

But, Mr H's representative did then get in touch – and despite that PRA seem to have sent a text message in January 2024, called him in February 2024, and sent a letter in May 2024.

PRA acknowledged the phone call and letter – not the text – but I'll take them all into account. When PRA responded to this point they said the reason for the call in February 2024 was because Mr H's representative hadn't replied to them. But they accepted the letter sent 30 May 2024 shouldn't have gone to Mr H and awarded £50 for this.

I've thought about this holistically – and although I don't doubt it's distressing for Mr H to receive contact, I'm satisfied the £50 PRA have offered is sufficient to put this matter right. So, I won't be asking PRA to do anything further on this.

I have noted Mr H's representative suggested a figure of £9,049.19 would be appropriate. But, although I genuinely sympathise with the difficulties Mr H is having, I can't agree that one text, one phone call and one letter is sufficient to award anything close to the level of compensation he's requested.

Other issues

- Mr H's representative says PRA told him all the information was readily available – but it took them three months to provide it. PRA referred to a statement of account with them where they said the information was readily available. I've seen the statement, and am satisfied with PRA's explanation, so I don't agree there was a delay here.
- Mr H's representative says there have been lots of different account numbers and the records are fragmented. I'd suggest this would be for T to address, but I remain satisfied the debt is validly owed by Mr H. One other observation I'd make is that the account ran for nine years before it defaulted, and has since been sold. This is

naturally going to create different numbers / references that refer to the same account.

My final decision

PRA Group (UK) Limited have made an offer of £50 to Mr H to resolve this complaint.

I'm satisfied this is a fair outcome in all the circumstances.

So, my decision is PRA Group (UK) Limited should pay Mr H £50 if they haven't already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 18 September 2025.

Jon Pearce
Ombudsman