

The complaint

Miss W complains Icon Collections International Limited have failed to handle things proactively when she made a settlement offer on the outstanding debt they were asking her to repay.

What happened

As I understand it Miss W had an outstanding debt with a company I'll refer to as A.

Miss W made a settlement offer to clear the debt in June 2024. Icon didn't have permission to agree settlement offers on A's behalf, so they recorded this on a spreadsheet for A's review.

When Miss W followed this up with Icon, they told her they'd forwarded this on to A, but there was no progress. Miss W says they were waiting for A to reply every time and in the meantime the debt was severely impacting her credit report which was holding her back from buying a home.

On 20 January 2025 Miss W says she submitted a complaint to Icon, allowed them eight weeks to investigate, but at the end of that time they'd not replied. So, she asked us to look into things saying they'd made no effort to get things resolved.

Icon ultimately replied to Miss W's complaint on 2 June 2025. In their response they said they'd told A on a monthly basis about the settlement offer, but hadn't heard back. They said they'd kept the account on hold, which they confirmed every time Miss W contacted them. They said they hadn't reported anything to Miss W's credit report. And, having now got in touch with A, they were accepting a settlement offer of £152.97. Overall Icon explained their monthly spreadsheet of queries to A is an efficient way of doing things generally, but in her case it didn't work. When Miss W contacted them, they should have done more, and they said sorry for this. Icon explained they'd refined their process to try and avoid issues like this in future.

After receipt of this, Miss W asked us to look into things. In doing so, she explained, amongst other things, she'd been in touch with A who had told her Icon hadn't ever contacted them. Miss W also disclosed to Icon on 30 May 2025 – when escalating her concerns to Icon's directors – that she was a vulnerable customer. Miss W explained Icon weren't previously aware of this, despite her numerous contacts with their complaint handlers.

One of our Investigators considered things. He thought Icon had contacted A as they'd told Miss W – but should have stepped outside of their process when it was clear A weren't replying. For this, he awarded £125 compensation.

Icon ultimately accepted this, but Miss W didn't. In summary I consider the key points she made as:

- Icon's own documents show settlement offers must be coded as SP not INF – which is the reason A never received her settlement offer
- The suggestion she could have contacted A isn't consistent with industry practice – her account had been passed to a debt collector and A confirmed Icon are the only party who can share settlement offers with them

The full impact hasn't been properly taken into account or reflected in the compensation award – and an award of something in the £1,500 range would be right

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 explain I've considered all of the information provided by both parties in reaching my decision. If I've not reflected or answered 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.

As a starting point I think it's helpful to explain I can only hold Icon responsible for any issues in this complaint if I'm satisfied they caused them. If I find Icon aren't responsible for issues Miss W has raised, then it wouldn't be appropriate to take those into account. I also need to explain when deciding the outcome of this case, I need to factor in whether I think Miss W could have mitigated any of the issues she experienced.

Our Investigator found Icon should have done more, and awarded compensation. Icon have since accepted they should have done more and agreed with the compensation recommended of £125. But, Miss W doesn't. So, the question for me to focus on is whether Icon have or haven't done anything else which means a different compensation amount would be fairer than the £125 currently recommended.

Icon's internal notes show Miss W raised her settlement request on 11 June 2024. It's close to a year later – in Icon's final response letter of 2 June 2025 – before Icon tell Miss W about the settlement. This is clearly too long a time period for a response to have been received. But, as I've said above, I need to focus on Icon's actions here.

The notes from Icon then show Miss W regularly following this up with them, wanting to know if the settlement has been accepted. I've not seen anything to suggest Icon asked Miss W for repayment of the debt while this matter was ongoing – as Icon said. So, I don't think they've treated her unfairly while the issue was ongoing.

In terms of getting a response from A, Icon have explained their process at the time was to place the contact from Miss W into a query 'pathway' which was visible to A. This was sent on a monthly basis – and Miss W's first one was sent to A on 5 July 2024. It was then sent again every month until a reply was received on 22 April 2025.

I've seen the evidence of Icon contacting A about this – and I can see Miss W now accepts they did. But, she's disputing that Icon provided the right code for A to 'see' her settlement offer.

Icon reported Miss W's account with an 'INF' code – but she says it should have been SP so A could have seen this was a settlement offer.

Miss W says this is supported by A's comments that a settlement offer should always be reported as 'SP' and it should be emailed over to them.

Miss W did a Subject Access Request (SAR) with Icon and A – and shared some documents with us on 22 September 2025. One of these documents are internal notes recorded by Icon – and on 19 May 2025 it's suggested the code for settlement offers should be changed to SP.

This is after the issue with the settlement offer has been resolved with Icon and A – so I'm satisfied it represents a change in process and I've not seen anything to show Icon should have been recorded a SP code at the time of her settlement offer or before 19 May 2025.

I also think Miss W may have misunderstood Icon's internal codes and explanations here. Icon have explained 'INF' means they're waiting for information from the client. Some of Miss W's submissions make me think she believes that's waiting for information from her. But, Icon have explained their client is A – so when they refer to client, they're talking about waiting to receive information from A.

I do understand her concerns regarding no email being sent by Icon. That's because A seem to be under the impression Icon are expected to send an email to A – and because A provided Miss W with emails Icon sent to A about settlements.

It's clear in these same internal notes Icon didn't think this was the standard process for any accounts with just a settlement offer to email them. And, in an email to A they'd explained the only reason they sent these settlement offers is because the accounts were either subject to potential legal action, or they were contacting A's accounts department with queries separately. And Icon have said due to refining their processes they now will email every time.

Ultimately, I think Icon believed one process was in place, but it seems A may have thought another was. Given the debate between the parties I can't confirm for certain it was done as A expected or that Icon had been told. And I can't speak to anything A may or may not have done – as this complaint is solely about Icon. Regardless, I'm satisfied Icon did share the information with A.

So, as I'm satisfied Icon did share Miss W's settlement request with A, I don't hold them fully responsible for the delays.

That said, I do think they should have done more off the back of Miss W's contact. It's clear recording Miss W's settlement offer on the spreadsheet wasn't getting an answer from A. In that context, while it's of course fine and expected to have processes, I'd also expect firms like Icon to think about whether they're still treating people fairly. I think it'd have been fair for Icon to step outside of their process and contact A directly. So, I do think Icon caused some delays by not doing so earlier in the process.

I understand Miss W's viewpoint that she's not done anything wrong by not contacting A. I don't think it'd be fair to suggest she had done anything wrong – Icon were dealing with things so it wasn't unreasonable of her to contact Icon for updates initially.

But, Miss W has told us this event had a very significant impact on her. I've not gone into detail for Miss W's privacy as this decision is published on our website.

Given the impact Miss W has described, I don't think it's unreasonable to suggest she could have contacted A. While she shouldn't have had to it's clear she wasn't getting very far with

Icon initially. So, against that context, I do think Miss W had the ability to mitigate some of the impact on her directly. This is something I'll take into account.

I've also thought about Miss W's comments that this account was having an impact on her credit report. To decide this had an unfair impact on Miss W, I'd need to be satisfied Icon were responsible for the delays. As I've set out above, I think they could have done more, but aren't fully responsible. I'd also need to be satisfied Icon's contribution to the delay in the account status being updated is the main or sole reason for the impact on any lending applications Miss W has been turned down for.

Miss W kindly provided a credit report dated 24 June 2025. In reviewing this, I can't ignore she's got a number of other accounts with negative information. So, I don't think I can confidently say anything Icon may be responsible for is the sole or main reason for any lending Miss W has been turned down for. Icon also said they've not reported anything to Miss W's credit report – which, based on the one Miss W has provided – is true they haven't.

I've noted when providing the report Miss W has also seen that neither Icon or A were reporting this. She's said this raises further concerns for her – as she says there was no visibility or transparency from Icon about how the debt was managed or whether it was being reported at all. Miss W says because she couldn't confirm this, it led to her delaying credit applications and caused significant distress.

In thinking about this, I'm not persuaded Icon have done anything wrong. As a debt collector Icon aren't responsible for reporting the account status – the finance provider (A in this case) would be. I appreciate there is no reason for Miss W to have known this. But, when Miss W raised her complaint to us she said it *was* causing problems with her lending applications.

Given I can't see it was being reported by Icon, and it seems to have been Miss W's assumption that they were reporting it, I don't think I can fairly hold Icon responsible for Miss W's belief they'd done something wrong and her subsequent decision not to apply for credit. But, even if they were reporting it, for the reasons I've mentioned above, I don't think I could fairly say this was the sole or main cause of any lending issues Miss W has experienced.

I also wanted to address Miss W's comments about her being a vulnerable customer. I agree based on what she's said she is and I am genuinely sorry to hear of how difficult things have been for her. But, I can only say Icon have done something wrong if she either told them, or they should have known and didn't do anything to support her.

In the notes of phone conversations there is no mention of Miss W's circumstances. I've also noted in her complaint in January 2025 she says "This delay is causing me significant stress and anxiety". So, she doesn't mention any of her specific circumstances she's now highlighted. As such, I can't see anything to suggest Icon should have offered her any additional support.

This doesn't mean I can't take it into account – as I can – but again I think this limits the impact because Icon didn't knowingly not step outside of their process for a customer who was vulnerable. They followed their standard process which in the circumstances was reasonable. And, as I've set out above, I've already found they did provide the information to A on a monthly basis.

Finally, I do think Icon's complaint handling in this case was poor, and is something I'll take into account – as it clearly added to the impact on Miss W.

Summary

In summary then I'm satisfied Icon aren't entirely responsible for all the delays Miss W experienced. They were contacting A. But I do think they should have stepped outside their normal process at the time to raise the question to A in order to get a reply. And they should have dealt with Miss W's complaint significantly quicker than they did.

In thinking about the compensation to Miss W I'm taking those two points into account, along with:

- Miss W could have contacted A but didn't
- Icon aren't responsible for any impact to any lending issues Miss W had
- Icon didn't know Miss W was vulnerable until she told them which was shortly before they answered her complaint – nor can I find any reason to suggest they should have known

I've also noted Miss W's comments that Icon accepted they'd 'missed an opportunity' to do more and have refined their procedures as a consequence of her complaint – so this means they are at fault for what happened. But, I don't agree with that. I think this is Icon reviewing what happened and accepting they should have done more – and in future will. This is the same conclusion I've reached reviewing all of the evidence.

Taking all of this into account, I'm satisfied £125 is a fair way to resolve this complaint. So, I won't be awarding the higher end of our compensation as Miss W has asked for.

I've seen Miss W has concerned about the documents she's been provided with in her SAR. If Miss W wanted to raise this issue further, she could contact the Information Commissioner's Office. It's not within our remit to decide if Icon have acted correctly when redacting / not providing documents.

My final decision

I uphold this complaint and require Icon Collections International Limited to pay Miss W £125 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 4 March 2026.

Jon Pearce
Ombudsman