

## The complaint

Miss A complains ACI-UK LIMITED:

- Didn't investigate that the loan was irresponsibly lent
- Engaged in deceptive practices

## What happened

As I understand it Miss A took out a loan with a company I'll refer to as M for £1,475 in February 2020. The total amount repayable was £2,654.18 with 11 monthly payments of £221.19 and one final payment of £221.09. Miss A has said in March 2021 she filed an irresponsible lending complaint with M about this.

In February 2022 Miss A found out M had gone into administration because her account was sold to a debt purchaser – I'll refer to them as P. P asked ACI to service the account which led to them contacting Miss A about it.

Miss A says on 14 April 2022 she forwarded her complaint about irresponsible lending to ACI, but they never replied to this.

After following up with ACI sometime later, Miss A says they told her they'd provided a credit agreement, when they hadn't. Miss A has described herself as a vulnerable customer and feels ACI chose to exploit her health by telling her they'd provided something when they hadn't. When they did provide a copy of a credit agreement, Miss A says this wasn't the original one, yet ACI are using this to justify asking her to repay the debt.

Miss A was also very unhappy about the account being recorded on her credit report despite the debt being disputed.

ACI said any claims about irresponsible lending by M had to be submitted to the administrators. And if Miss A didn't receive any redress from the scheme, then it means they'd decided her loan hadn't been irresponsibly lent to her. ACI added on 27 March 2025 Miss A asked for a copy of the credit agreement, which they provided to her on 2 April 2025. ACI added this is a reconstituted copy which is allowed. ACI said they're unable to uphold Miss A's complaint but wanted to work with her. In view of that, they were prepared to reduce the balance to the amount she'd borrowed - £1,475 – and asked if she'd accept this offer.

Unhappy with this Miss A asked us to look into things.

One of our Investigators did so – and clarified with ACI the offer to reduce Miss A's balance to £1,475 remained available – and they confirmed it did.

Our Investigator felt this was a fair offer, and explained this to Miss A.

Miss A didn't accept this, saying:

- She didn't think our Investigator had fully understood the timeline of events in her complaint

- ACI continued to report the debt even though it was in dispute over the irresponsible lending claim she'd made to M
- She'd like an Ombudsman's opinion on whether non-payment from an administrator scheme validates an original lending decision
- She felt her vulnerability needed to be taken into account both in terms of the original lending decision and ongoing handling of matters

As Miss A didn't accept ACI's offer, her complaint 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 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.

Before explaining my outcome, I wanted to say how sorry I am to have read of the difficulties Miss A has experienced with her health – and the impact of it on her ability to carry out day to day activities. I'd like her to know I've taken that into account when deciding the outcome of her case, but I've deliberately not been specific about them, because this decision is published on our website.

As a starting point, I think it's key to set out the outstanding balance I understand ACI were asking Miss A to repay.

The information I've been provided with – Miss A's testimony, letters sent to her and ACI's internal notes – show this figure was initially £2,037.72. We clarified this with ACI, in case there had been a change – and they said they'd written off some of the interest previously, and this meant the balance was now £1,769.26.

As Miss A knows, ACI have offered to reduce the outstanding balance to £1,475 – a reduction of £294.26. So, if I were to find ACI had made errors, I'd need to be satisfied those errors were worth more than this amount – as if I felt fair compensation would be less, then it follows ACI have made a fair offer to reduce the balance to £1,475.

#### *Irresponsible lending*

I know Miss A has said ACI are responsible when taking on the account for the actions of M – and that we have issued outcomes routinely upholding this.

I'm unclear on where Miss A has seen this, but I'm afraid it's not correct.

When a debt company takes over an account, they don't generally take on the liabilities for the actions of the previous owner and I've seen nothing to suggest that'd be true in this complaint.

So, in this case that means ACI aren't responsible if M did irresponsibly lend to her. That also means it wouldn't be for them to investigate the matter, and from a purely practical sense I can't see how they could.

An irresponsible lending assessment requires a detailed understanding of the person's circumstances, as well as the lender's criteria and information they found. ACI weren't

involved when Miss A applied for the loan, so they can't know all the information M gathered, or what checks they carried out. And I wouldn't expect them to.

So, I don't think ACI did anything wrong in saying they couldn't investigate Miss A's complaint about irresponsible lending.

In terms of whether non-payment from an administrator scheme validates the original lending decision it'd entirely depend on what the scheme was set up to consider. If it was set up to consider irresponsible lending, and the scheme decided Miss A wasn't eligible for a payment from it, then it's likely it does. But, I'm only able to make a finding about ACI's actions – and I think what Miss A is getting at is that ACI felt the non-payment meant the lending decision was ok. I don't think that's an unreasonable interpretation from ACI. But, even if it wasn't, as they're not responsible for anything to do with the original lending it wouldn't change anything for her.

#### *ACI's communication – email of April 2022*

Miss A says she first raised her irresponsible lending complaint to ACI in April 2022 but received no reply.

I can't find any record of this email in ACI's internal notes. I've seen our Investigator asked Miss A to provide this information, but she's not done so.

So, currently, I've no evidence Miss A did contact ACI in April 2022 as she's said. But, Miss A has been specific about the date and the email address she sent it to, and the email address is the same one ACI first contacted her on two months earlier in February 2022 – so I think it's more likely than not she did send the email.

In accepting that, I then need to be persuaded there was an unreasonable impact on Miss A because of ACI's lack of reply.

In thinking about this, I can't ignore when ACI did tell Miss A it wasn't for them to investigate irresponsible lending issues against M, which is correct, she's disputed that. When disputing that, she's said we routinely uphold these complaints which isn't correct. It's unclear to me where Miss A got this information from, but it does mean I don't think ACI not replying to Miss A has caused her any detriment – because even if they did, her understanding was they'd have been telling her the wrong information.

#### *Providing the credit agreement*

ACI have said they provided this to Miss A on 2 April 2025.

I've seen from ACI's notes Miss A queried this on several occasions, and the last email from them to her was 11 April 2025 saying they'd requested it from the relevant department.

It's not clear to me when precisely ACI provided the credit agreement to Miss A given the seemingly contradictory statements. I'll take this into account when deciding a fair outcome.

#### *Dealing with Miss A fairly taking into account her vulnerabilities*

Miss A has said ACI haven't treated her as a vulnerable customer by giving her wrong information about the credit agreement. I'll address that at the end of this decision.

I've not seen from anything Miss A has said that ACI didn't treat her fairly before this. I'm conscious Miss A talked about sending an email from April 2022. I've not seen a copy of that as I've mentioned above, but she's framed this email as solely about her irresponsible lending complaint to M – so I don't think it impacts on this point.

Otherwise, I've not seen anything to suggest ACI haven't treated Miss A fairly taking into account her circumstances.

### *Credit file reporting*

In general terms, when there is a dispute over an account I wouldn't expect a debt company to usually continue to ask for payment. But, a dispute over an account – including an irresponsible lending complaint – wouldn't prevent them from continuing to report an account to the credit reference agencies (CRAs).

It's expected ACI would report true and accurate information to the CRAs. M defaulted the account, and the letters provided by ACI show this happened on 3 May 2020. Default markers last for six years, so I'd expect it to come off shortly after 3 May 2026.

The fact Miss A had a dispute over irresponsible lending doesn't mean a default should automatically be removed. It can be removed in certain situations if this type of complaint is upheld, but the instruction to remove the entry wouldn't happen until the outcome had been provided.

I'm sorry to read of the significant impact the reporting has had on Miss A's future plans, but I can't say ACI did anything wrong on this point.

### *Summary*

In summary then I've found ACI have fairly dealt with Miss A for most of the concerns she's raised – taking into account her vulnerabilities. I don't think I have enough to say they have fairly dealt with her contacts about the credit agreement.

But, even if I were to find ACI have made errors here, I don't think those errors would be worth more than the £294.26 they've offered to reduce her balance by.

In view of that, I'm satisfied ACI's offer to reduce Miss A's outstanding debt with them to £1,475 is a fair and reasonable outcome.

I've seen Miss A say she won't accept any offer made unless it includes the removal of the adverse credit information. For the reasons I've explained above I won't be ordering that. But, I just wanted to reiterate the information should be removed shortly after 3 May 2026.

If Miss A chooses not to accept this decision, which is entirely her right, she should be aware ACI may decide to ask her to repay the full balance. We can't advise Miss A on what she should do.

### **My final decision**

ACI-UK LIMITED have made an offer to reduce Miss A's debt to £1,475 which I think is fair and reasonable in all the circumstances of this complaint.

So, my decision is ACI-UK LIMITED should reduce Miss A's outstanding balance to £1,475.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 24 March 2026.

Jon Pearce  
**Ombudsman**