

complaint

Mr D complains that The Lewis Group Limited ("TLGL") has unfairly pursued him for a debt that he does not owe and caused him distress in so doing. The complaint is brought on Mr D's behalf by a relative, Mrs D.

background

A debt of almost £5,360, which was said to be owed by Mr D, was assigned by A Bank to TLGL's client in 2001. TLGL was appointed to collect the debt. It was unable to do so as its letters were returned marked "Gone away". It then traced and contacted Mr D in 2007 and he agreed to pay it regular repayments towards the debt. In 2013, Mrs D, on Mr D's behalf, contacted TLGL and said that Mr D did not owe the debt and that it was fraudulent. She also said that the account had in any event become statute barred and that TLGL was not entitled to collect it. She asked that TLGL repay Mr D's repayments and also pay him compensation as its actions had caused distress to Mr D.

The adjudicator noted that TLGL had acted unfairly by pursuing Mr D after the limitation period. He concluded that TLGL's offer to repay all the repayments made by Mr D to TLGL, and to pay him £100 compensation for distress and inconvenience was fair and reasonable. He noted that these amounts totalling £1,420 had already been paid to Mr D.

Mrs D disagreed, and responded to say, in summary, that the amount of compensation was unacceptable in view of the time taken to resolve the matter and the mental anxiety suffered by Mr D over the possible outcome of improper debts being placed against his name.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I have considerable sympathy for Mr D's situation, and I have carefully considered the circumstances of his complaint.

Whilst a copy of Mr D's credit agreement cannot be located, this does not of itself mean that the debt was fraudulent. But in view of the limited information available about the debt, I am unable to safely conclude that it was fraudulent.

I also note that Mr D was contacted about the debt after the limitation period had passed. I agree with the adjudicator's conclusion that TLGL had not acted fairly in pursuing the debt and that the repayments made by Mr D after the limitation period should be repaid.

Mrs D said that the amount of £100 compensation for distress and inconvenience was unacceptable. She said that the matter had taken time to resolve and that Mr D was distressed at being pursued for a debt which he said that he did not owe. But, the adjudicator would have taken these factors into account when assessing compensation and I have not seen any other evidence to persuade me that Mr D should be paid a higher amount.

Whilst I understand Mr D's strength of feeling in this matter, where this service makes an award for distress and inconvenience, the award we make generally tends to be modest. After taking into account the underlying causes of the complaint and all available submissions, I consider that the payment of £100 compensation by TLGL for the distress and inconvenience caused to Mr D is fair and reasonable in the circumstances of this complaint.

my final decision

My decision is that I uphold this complaint in part. In full and final settlement of it, I find that the total payment of £1,420, already made to Mr D by The Lewis Group Limited, is a fair and reasonable resolution to this complaint.

Roslyn Rawson
ombudsman