

complaint

Mr K complains that Capquest Investments Limited ("Capquest") is unfairly pursuing him for a debt which he does not owe.

background

Capquest bought a debt of £766 under account number **998 from a third party lender ("V") in May 2008. Capquest said that the debt was in respect of a loan originally opened with another lender ("W") in January 2006 for £992. The loan was not for any specified goods. V had subsequently taken over W's loans. V's account details showed that the loan was with Mr K at the address at which Mr K lived in January 2006. His correct date of birth was also shown on the account records. The details also showed that 13 repayments had been made towards the loan, although the final payment in January 2007 had been returned. As no further payments were made, the account was defaulted in November 2007.

Mr K said that he had no knowledge of the debt. He accepted that he did have a loan with V under account number **829. But this account had been settled by him with V, and so had not been sold to Capquest.

The adjudicator did not recommend that the complaint should be upheld. He concluded that Capquest was entitled to pursue Mr K for the debt and that it had not acted incorrectly. Mr K disagreed, and responded to say, in summary, that his bank statements from 2006 showed no record of any repayments for the loan.

my findings

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

Where the evidence is incomplete, inconclusive, or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

I can see that Mr K has provided evidence that the loan he believed he had with V had been paid off. I agree that it appears that loan account **829 had been paid off. But that is not the loan which Capquest is pursuing Mr K for.

I can see that Capquest bought loan account *998 in good faith from V, and has relied on the account details provided to it by V. V wrote to Mr K in June 2008 to tell him about the debt sale, but he did not receive the letter as he had moved by then. Capquest wrote several times to Mr K about the debt, but the letters did not reach him as he had moved house. When Capquest eventually managed to trace Mr K, I can see that Mr K paid £50 towards the debt in April 2010. He then told Capquest in May 2010 that he would be willing to pay the account if the details were sent to him, and in June 2010 he told Capquest that he would pay £502.37 to settle the account in reply to its settlement offer. But he then did not pay this as he subsequently spoke to V who said that it had no record of a debt with Mr K, which seems to have confused the issue. At the time Mr K spoke to it, it was correct of V to say that it did not have a debt with Mr K as one debt account had been settled and the other account had been sold to Capquest. But Mr K seems to have interpreted this to mean that he did not owe anything to Capquest.

Mr K says that he can supply bank statements from 2006 to show that he was not making repayments to V. But, I cannot treat this as conclusive evidence that he did not make the repayments to V, as Mr K might have had other accounts from which he paid V.

I am satisfied that Capquest bought the debt in good faith from V, and that it believed from the details provided by V that the debt was owed by Mr K. Mr K acknowledged the debt when he told Capquest that he was willing to settle the debt in May and June 2010, and paid £50 towards it in April 2010. I can see that Mr K was also confused by the correspondence sent to him by V and his conversation with it in June 2010, but these contacts appeared to have related to a different account. So, having carefully considered the circumstances of this complaint, and on balance, I am not persuaded that Capquest has acted inappropriately in pursuing Mr K for the debt.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr K to accept or reject my decision before 28 May 2015.

Roslyn Rawson
ombudsman