

complaint

Mr R complains that BW Legal Services Limited is unfairly chasing him for a loan that he repaid in full a number of years ago. He also complains about the default that was placed on his account.

background

In 2018 Mr R complained to BW Legal Services about a debt it was recovering from a third party I'll refer to as 'A'. The debt involved an unpaid loan from 2013. Mr R complained that he had paid the loan back and had email confirmation from A that said his loan had been repaid.

BW Legal Services looked into Mr R's concerns, but didn't agree with him. It said that while he had initially paid back the full amount of his loan to A, his bank had shortly afterwards initiated a chargeback for that same amount. This meant that his loan hadn't in fact been paid. It asked Mr R to provide any statements from that time which showed that he had not in fact received the chargeback – but as he didn't do so, BW Legal Services considered he was still liable for the debt.

So Mr R brought his complaint to this service. One of our investigators looked into the complaint. She explained that BW Legal Services had bought the debt from A, and so it hadn't been responsible for placing a default on Mr R's credit file. So she set up a complaint against A. She also got in touch with Mr R's previous bank, who confirmed that a chargeback had been initiated, and that it had been successful – this meant that the money had been returned back to his account. So the investigator concluded, on balance, that there was insufficient evidence to show that Mr R had in fact paid off his debt and was no longer liable for it.

Mr R didn't agree so the case was passed to me to decide.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I agree with the investigator and for essentially the same reasons.

I appreciate Mr R feels strongly about his complaint. In support of his complaint, he has provided an email from 25 April 2013 from A that acknowledges the payment of around £287 to clear his loan. Mr R says this shows his debt was paid off, and BW Legal Services are treating him unfairly by chasing him for it.

I agree this email, on the face of it, is evidence that the loan was paid off. But I've also seen evidence from Mr R's bank at the time.

This demonstrates that the payment was debited from Mr R's account 2 working days later on 29 April 2013. And on the 30 April 2013 a chargeback was initiated successfully. I've seen the statements from the time, and this shows that the debit of £287 was credited back to Mr R's account on 30 April 2013. This is persuasive evidence which I think shows, on balance, that it's more likely than not that Mr R's loan was not repaid.

This means that I don't think BW Legal Services has done anything wrong. And I note that it

did look into Mr R's concerns, and once the issue of the chargeback was uncovered, it also asked him to provide any evidence that showed that he hadn't in fact received the money back in his account.

So overall, whilst I appreciate this will come as a disappointment to Mr R, I think the evidence shows that the original loan with A was not paid back at the time. Therefore BW Legal Services has done nothing wrong in pursuing him for it.

my final decision

For the reasons I've given, my final decision is that I don't uphold Mr R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 19 December 2018.

Alessandro Pulzone
ombudsman