

complaint

Mr B has complained Arrow Global Limited can't ask him to pay two debts they now own as the defaults were not properly sent to him.

background

In 2014 Mr B's bank sold his credit card and personal loan debts to Arrow Global. Mr B was being asked to repay more than £9,000 for these two debts. Arrow Global sent Mr B notices of assignment for these debts and confirmed they would continue to register the defaults on his credit record.

Mr B contacted Arrow Global:

- to confirm his bank had not "*legally executed the defaults*" so Arrow Global would not be able to enforce these debts;
- to offer to pay £2,000 (£1,000 on each debt) in full and final settlement.

Mr B was also complaining his bank had not sent the defaults to the address they knew he had (as shown by information on his credit record). His bank had told him they had sent defaults to the last address they held for him.

Mr B brought his complaint about Arrow Global to the ombudsman service. He wasn't happy with what they'd told him: they believed he had received the default notices and didn't think they'd done anything wrong.

Our investigator reviewed the evidence both Arrow Global and Mr B provided. He felt there was nothing to show Arrow Global had done anything wrong. They'd bought the debt from Mr B's bank who'd recorded the initial defaults.

During the time he was considering Mr B's complaint, Mr B was anxious about other agencies also trying to recover payment for the debts. Our investigator explained these bodies were working on Arrow Global's behalf. He also tried to broker a deal between Arrow Global and Mr B about what they would accept in full and final settlement. This didn't result in an agreement.

Mr B remained unhappy with the outcome of his complaint. He's asked an ombudsman to make a final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I've reviewed what our investigator said and the evidence provided to us both by Mr B and Arrow Global. I believe he came to the right conclusion based on the evidence although I know Mr B will be disappointed by me saying this.

Mr B's real complaint is against his bank and I've dealt with this separately. Arrow Global bought these debts from his bank. And it's fair for them to rely on the information they were given and saw that Mr B's defaults were sent to his address at the time.

Mr B believes these debts are unenforceable because the defaults weren't properly executed. I think he knows we don't decide whether debts are enforceable or not. That is a matter for the courts to decide upon whilst we resolve disputes informally. I do take the law into account but make decisions based on what is fair and reasonable, as our statutes require us to do.

I can see our investigator tried to help Mr B agree a settlement figure with Arrow Global. Unfortunately they weren't offering to settle both debts for £2,500 as we'd understood by their correspondence but just one of the debts. Mr B was willing to pay that amount for both debts as long as he could arrange to make payments over three months. He was understandably angered when he found this wasn't the deal on offer. I'm not in a position to tell Arrow Global what they should do, as I agree with our investigator they've not done anything wrong. But there is correspondence I know they've seen in the past from a social care professional helping Mr B. This indicated Mr B had limited ability to repay this debt. So they'll need to consider what repayment plan will suit him when they assess his ability to repay.

my final decision

For the reasons I've given, my final decision is not to uphold Mr B's complaint against Arrow Global Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 5 May 2017.

Sandra Quinn
ombudsman