



complaint

Mrs L has complained that a debt collection agency is pursuing her for a debt related to her motor insurance policy, which she believed had been resolved in September 2008.

background

Mrs L had been insured with EUI Limited (trading as Diamond) for some years. At her 2008 renewal, she noticed that her insurance schedule was missing penalty points from previous years. Accordingly, she contacted EUI, which advised that she owed £949.11 in additional premiums, because she had not informed it of the penalty points before.

However, Mrs L explained she has paperwork which shows she spoke to EUI 2007 to advise of the penalty points and also had a letter from EUI confirming the amendment.

EUI continued to pursue Mrs L for the additional premiums for 6 months, at which point it instructed a debt collection agency, which sent a payment demand to Mrs L. She responded to explain why she had not paid. She heard nothing further and assumed that the issue was no longer being pursued. However, in January 2012 she received a letter demanding payment from a second debt collection agency.

Our adjudicator recommended that the complaint should be upheld. She considered that there had been a breakdown in communication between EUI and the first debt collection agency, which resulted in no further communication with Mrs L. She felt that on this basis it was unfair to continue to pursue Mrs L for a debt she quite reasonably believed was no longer being pursued, having heard nothing for over 3 years.

EUI disagreed, saying that a debt collection agency had in fact contacted Mrs L in August 2011 and again in September 2011. EUI considered that if it had contacted Mrs L more often it could have been construed as harassment.

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 agree with the adjudicator that there was a breakdown in communication between EUI and the debt collection agency/agencies, which resulted in no further communication with Mrs L.

I have looked carefully at the debt collection notes that were made and their dates. I set out the significant dates relating to the debt collection below.

- In September 2008 it is noted that Mrs L sent the first agency a letter.
- Also in September 2008 some internal notes are made by the agency, but there is no indication that a response was given to Mrs L.
- In May 2010, internal notes again appear on the system, but again there is nothing to indicate that Mrs L was contacted.
- Further notes appear during September 2011, but these seem to be internal discussions and mention referring back to the quality department before continuing to pursue Mrs L.

- There does not appear to be anything further until Mrs L is contacted by the second agency in January 2012.

On the basis of this evidence, I am satisfied that Mrs L was not contacted by either the first or second debt collection agency between September 2008 and January 2012. This is a period of over 3 years. I agree with the adjudicator that on the basis of having had no contact for so long, after having explained why she had not paid the debt, it was reasonable of Mrs L to conclude that the matter was no longer being pursued. Whilst I agree with EUI's point that a consumer should not be harassed, I consider that no contact for over 3 years is stretching this point.

my final decision

For the reasons set out above, my final decision is that I uphold this complaint. I require EUI Limited (trading as Diamond) to:

- write off the outstanding debt;
- ensure that any adverse information that may be logged with credit reference agencies regarding this debt is removed; and
- ensure Mrs L is not contacted again by any debt collection agency regarding this debt.

Elspeth Wood
ombudsman