

## **complaint**

Mr A complains that Marlin Financial Services Limited pursued him for an invalid debt, refused to deal with his representative and failed to comply with regulations.

## **background**

In November 2012 Mr A's overdraft debt that had already defaulted was assigned to a third party company by the original lender. This company is a holding company and it wrote to Mr A to say it had appointed Marlin Financial Services to manage this debt. Marlin Financial Services then wrote to Mr A asking him to discuss proposals for repayment. It also called him on the number it was given by the lender. Mr A's representative, who had been dealing with the lender, contacted Marlin Financial Services and said that this debt was disputed. He was told that there was no letter of authority from Mr A for him to deal on his behalf.

It contacted the lender to ask about the disputed debt and whether it had a letter of authority. It was given a copy of a final response from the lender to Mr A saying that the debt was valid and was told that there was no letter of authority on file. It also did not consider that this would necessarily have been valid now the ownership of the debt had been transferred. It asked Mr A to provide a letter of authority. It then explained to Mr A's representative that, as the debt was an overdraft on a current account, there was no executed agreement under Section 78 of the Consumer Credit Act 1974 for it that it could provide to him. It apologised that it had not explained this sooner.

The adjudicator did not recommend that the complaint should be upheld. She did not consider it was unreasonable for Marlin Financial Services to ask Mr A for a letter of authority as it had nothing to confirm his representative could act on his behalf. She noted that when it learnt that the debt was disputed it contacted the original lender. She did not consider that it needed to do more to investigate the validity of the debt itself. Mr A had expressed concern that Marlin Financial Services had added information to his credit record, in breach of data protection requirements, but no evidence had been provided of this. She considered, on the evidence, that the debt was valid and noted that there was no specific requirement under Section 78 of the Consumer Credit Act 1974 for a copy of an executed agreement.

Mr A did not agree and said, in summary through his representative, that as the debt was invalid all the subsequent actions of Marlin Financial Services were without basis and libellous. He maintains that Marlin Financial Services should have done more to investigate this.

## **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 am aware that the issues that Mr A raises about the actions of the original lender and the validity of this debt, are also being dealt with in a separate complaint about this lender. I consider that this is the appropriate way to resolve these and I will not, as a result, go into the details of the disputed charges and other matters that Mr A has raised here. Marlin Financial Services did approach the lender and was given a copy of the final response. I consider it acted in good faith and it was not unreasonable for it to then rely on what the original lender told it.

I do not consider that Marlin Financial Services initially had the authority to deal with Mr A's representative. The lender had not made it aware of his representative and was unable to provide a letter of authority. In my view it acted responsibly in asking Mr A to confirm this.

Mr A raises issues relating to the alleged breach of regulations and data protection requirements. This service is not the regulator and does not monitor compliance with regulations. Having said that, I do not see that there is evidence in this case that there has been any breach. Such a finding would seem to rest on Marlin Financial Services acting unreasonably in accepting that the debt was valid. I found above that this was not the case so the consequences, for example, in terms of adverse credit information recorded for Mr A are not in my view unfair.

I appreciate that Mr A will be very disappointed by my assessment of this complaint.

**my final decision**

In light of the above, my final decision is that I do not uphold this complaint.

Michael Crewe  
**ombudsman**