

complaint

Miss C's unhappy that Kapama Limited is chasing her for a debt it says is outstanding.

background

Miss C took out a loan and a few days before it was to be repaid she entered into a debt management plan. Since then the debt has been sold to Kapama and its chasing her for a balance it says is owed. Miss C believes the debt has been paid off.

Our adjudicator didn't feel this complaint should be upheld. In summary she said Kapama had sent her a breakdown of the outstanding balance. The charges applied are in line with the terms and conditions of the credit agreement. Although Miss C made the original lender aware of her debt management plan it was entitled to apply the charges. But it stopped doing so once it was contacted by Miss C's debt management company and a repayment plan was put in place. Kapama hasn't added any charges since it acquired the debt and after deducting what has been paid there's still a balance owed of £130.40. This figure seems correct. She can't recommend it's waived or that Miss C's credit file should be amended.

Miss C doesn't agree and has asked for an ombudsman review. She says she's paid off nearly double the amount of the loan. She hasn't been given a breakdown of the figures. Kapama is collecting money that isn't due. And she also wants compensating for the distress she's been caused. She also believes the loan was mis-sold. She says the amount owing should be zero.

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 agree with the adjudicator's conclusions for the same reasons.

I've taken note of the further information Miss C has sent in. But I'm afraid it doesn't alter my view. She may well have taken out many other loans with the original lender but this doesn't mean the amount owing to Kapama is zero or should be reduced. And if Miss C believes the original loan was mis-sold she would have to pursue a complaint against the original lender not Kapama.

Overall, although I recognise Miss C's strength of feeling and frustration, I don't see any compelling reason to change the proposed outcome in this case. On balance it appears reasonable for Kapama to pursue Miss C for the balance it says she owes.

I don't think Kapama's done anything wrong. And I can't fairly or reasonably require it to write off the debt, amend her credit file or pay compensation as Miss C would like.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 6 November 2017.

Stephen Cooper
ombudsman