

complaint

Mr L's complaint is that Arrow Global Limited incorrectly chased him for repayment of a debt.

Mr L is represented in bringing this complaint by his wife, Mrs L. But for ease I'll refer to her actions and comments as being those of Mr L.

background

Mr L got in touch with us last year believing he'd been the victim of identity fraud. He said he was being pursued by Arrow for a debt that wasn't his – which had included court officers visiting his home to demand repayment. Mr L instructed solicitors to deal with the matter, and a suspension of court proceedings was agreed while the matter was investigated.

When our investigator spoke to Arrow, it accepted that the debt didn't belong to Mr L. So it offered to pay £400 towards his legal fees and £750 compensation for the trouble and upset caused. It also said it had removed information about the debt from Mr L's credit file.

Our investigator didn't think Arrow's offer went far enough. While he thought that the £750 compensation was reasonable, he thought it would be fair for Arrow to cover all of Mr L's legal costs.

Arrow accepted our investigator's opinion. But Mr L didn't think that £750 was fair compensation for the impact this matter had on him, which had been going on since 2009. He also said he'd been declined credit when trying to buy a car – which he thought was due to the adverse information about this debt on his credit file – and had incurred additional travel expenses of around £500 as a result.

As Mr L didn't accept our investigator's view, his complaint was passed to me.

my findings

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

There's no dispute that Arrow incorrectly chased Mr L for a debt: it's already accepted that the account in question didn't belong to him. So I don't need to make any finding as to what went wrong. The only matter left for me to decide is how Mr L should be fairly compensated for the impact of Arrow's error.

I've considered any financial losses that Mr L may have suffered as a result of Arrow's actions. In this respect, I can see that he instructed a solicitor to help him sort things out when threatened with court action. I think that was a reasonable step for him to take, given the potential consequences he was facing at the time. And as this was a direct consequence of Arrow's error, I think it's fair for it to cover these costs – which it's already agreed to do on receipt of invoices.

Mr L says that this issue also led to him being declined for credit to purchase a car, which in turn led to other travel expenses of around £500. I can see that a record of this debt on his credit file *may* have affected his credit rating and, in turn, his ability to get credit. But I don't think his comments alone are enough for me to say with any certainty that this was the sole reason behind a lender's decision to decline his application – which ultimately could've been

due to any number of reasons. There's also nothing to support the figure of £500 that Mr L refers to. So I don't think I can fairly require Arrow to pay any compensation for this.

I've gone on to consider the trouble and upset that this matter would've caused Mr L. And in this respect, I can see that the threat of legal action – which included the attendance of court officers at his home – would've been very distressing. I also appreciate his comments that this would also have been quite embarrassing, as a third party was present when the visit took place. And I've borne in mind that he's had to put time and effort in to sorting things out – engaging a solicitor as noted above to deal with the immediate threat of legal action and ultimately having to raise and escalate a complaint to resolve the issue. Having taken all this into consideration, I agree that £750 is fair and reasonable compensation.

I appreciate Mr L doesn't agree. He and his solicitor say the matter has been going on for nine years. In addition to being declined for credit to purchase a car, Mr L feels cheated out of the ability to make other purchases. But again there's no evidence that he's actually lost out in this respect. And he's not provided me with any detail about any other impact this matter may have had over that period. So while I've taken everything Mr L and his representatives have told us into account, they don't lead me to think that Arrow should pay more than £750 compensation.

my final decision

For the reasons set out above, I uphold Mr L's complaint and require Arrow Global Limited to:

- Pay Mr L's legal fees in connection with this matter and/or reimburse for any he's already paid on receipt of invoices and/or receipts;
- Pay Mr L compensation of £750 for the trouble and upset caused; and
- Ensure that any records or information relating to the debt at issue has been removed from Mr L's credit file.

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

Ben Jennings
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