

complaint

Mr W complains that Arrow Global Limited is wrongly pursuing him for a debt that he doesn't owe.

background

Mr W didn't keep up the repayments on his credit card and the outstanding balance was sold on to Arrow to collect. Mr W made a complaint to the original credit card provider about mis-sold payment protection insurance (PPI) on the account. He also told the debt collector instructed on behalf of Arrow that he disputed the outstanding balance because of the PPI.

In August 2012 Mr W had a cheque for the mis-sold PPI in full and final settlement of his complaint. At the same time, the debt collector wrote to Mr W and said that Arrow had withdrawn the account and that the balance was zero. Mr W thought that this meant the balance had been written off by Arrow as part of the resolution to his complaint and he didn't owe any money. Arrow is still chasing Mr W to pay back the debt because it says that the balance was not written off and Mr W has not made any repayments towards it.

Our adjudicator did not recommend that the complaint should be upheld. She didn't think Arrow had done anything wrong and Mr W should have known that there was an outstanding balance. Mr W didn't agree and replied to say in summary that it was the only fair interpretation of the letters he had been sent.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Looking at the letters that were sent to Mr W in August 2012 I can understand why he might have thought that the PPI complaint was connected to the collection of the outstanding balance. But Arrow didn't write any of these letters. The letter from the debt collector explains that the account has been "withdrawn" and the balance is zero. I don't think it clearly says that the debt has been written off or that Mr W could reasonably conclude from reading the letter that he wasn't responsible for the outstanding balance any more.

Mr W knew that the credit card hadn't been paid and had an outstanding balance. The PPI settlement was paid to Mr W by cheque so he couldn't have thought the outstanding balance had been paid off from that money. Although the letter from the debt collector may have contributed to Mr W's misunderstanding that the debt has been written off I don't think it clearly said that this was the position.

Mr W hasn't paid anything towards the debt and Arrow has said that it is still outstanding. I think that it is fair and reasonable for Arrow to keep asking Mr W to repay the outstanding balance and I don't think that it has done anything wrong.

my final decision

My final decision is that I do not uphold this complaint. Under the rules of the Financial Ombudsman Service, I am required to ask Mr W to accept or reject my decision before 21 August 2015.

Emma Boothroyd
ombudsman