

complaint

Mr H complains that Motormile Finance UK Limited is chasing him for a debt he owes another business.

background

Mr H had taken payday loans and made arrangements for these to be repaid through a debt management company. But there were problems with the debt management plan and the payments to the original creditor for the payday loans weren't made. The original creditor sold the debt to Motormile, which then contacted Mr H and asked him to repay the debt.

Mr H wants the debt written off, and compensation for the stress this has caused him.

He brought his complaint to this service. Our adjudicator didn't think Motormile was doing anything wrong in chasing payment of the debt it had purchased. She pointed out that we aren't in a position to say who's at fault for the previous payments not being made by the debt management company. She also said that we can't look into problems with the original creditor in any case, as that business doesn't come within our jurisdiction. (And that final point has been explained and dealt with in a separate complaint brought to us by Mr H.)

The adjudicator suggested that a repayment plan might be able to be arranged with Motormile, but Mr H didn't want to do that. He remained unhappy and so this has come to me for a final decision.

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 can't look into whether the original creditor or the debt management company did everything they should have before Mr H's debt was sold on to Motormile. However, I can look into what Motormile has done. It is an authorised debt purchase company which buys debt from other creditors that have lent money to people, and then tries to recover the debt itself.

Having purchased Mr H's debt from the original creditor, Motormile was entitled to contact Mr H to ask him to repay the amount owed. I understand Mr H's frustration in finding out that the debt he thought had been repaid had not, but I can't say Motormile has acted unreasonably in chasing the debt or in contacting him to try to agree an affordable way for that to be repaid. It seems that Motormile is willing to negotiate how the debt is to be repaid, and that is a reasonable thing to do under the circumstances, so I don't think it has treated Mr H unfairly.

my final decision

For the reasons I've given, it's my final decision that I don't uphold this complaint against Motormile Finance UK Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 23 October 2015.

Helen Moya
ombudsman