

complaint

Mr G complains that MEM Consumer Finance Limited passed his debt to a third party debt collection agency and recorded adverse information with the credit reference agencies.

background

Mr G failed to repay his loan by the due date and a payment plan was agreed. When repayments were not met the plan was cancelled. It was later re-instated but again the agreed repayment was not made so the debt was passed to a third party agency. After Mr G complained the debt was recalled.

Our adjudicator did not recommend that the complaint should be upheld. He said that Mr G had repeatedly failed to repay his loan as arranged. Therefore, the business was entitled to use a third party agency to pursue the debt, and to record adverse payment information with the credit reference agencies. He concluded that MEM had followed the correct processes.

Mr G disagreed, saying he received no default notice; that MEM had failed to correctly update the credit reference agencies; and in addition, that when he asked for all email correspondence to be copied to a third party it said systems constraints prevented 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 not persuaded that MEM has acted incorrectly in the management of Mr G's debt. I find this because:

- It sent a letter advising of the pending default status to the correct address. I cannot hold the business liable for the non-receipt. It did not have to issue a formal default notice because of the type of product Mr G had. Our letter of 18 April 2013 details the relevant regulatory provisions.
- The default it has recorded is an accurate representation of how the account was managed and I can see no grounds to direct MEM to remove it.
- MEM has showed that it has provided accurate monthly updates to the credit reference agencies and I have seen no evidence to the contrary.
- It tried to set up mutually acceptable repayment plans on a number of occasions despite Mr G failing to meet the commitments of earlier plans.

With regards copying a third party on all emails, I am satisfied that the business has explained why this is not possible and we cannot force it to change its systems. I would recommend that Mr G completes the third party authority form as advised and MEM can then speak or write to his third party as he wishes.

my final decision

My final decision is that I do not uphold this complaint.

Rebecca Connelley
ombudsman