

complaint

Mr A complains that Capquest Debt Recovery Limited has not written off his student loan even though he has provided the required evidence for this to happen. He also complains that he was only given two days to make a payment to prevent a default and that the service he has received has been poor.

background

Mr A entered into a student loan agreement in 1994 that was purchased by another company in November 2013. He believes that the paperwork for the loan deferment was sent out too early as he thought deferment due to ongoing disability should have a three year not one year hold period. He says that he provided the deferment information in May 2015 but was then sent a default notice in June 2015. He says the default notice was incorrect as it only allowed two days for payment rather than fourteen.

Mr A's account was passed to Capquest to manage in August 2015. Mr A contacted Capquest asking to see a copy of his credit agreement. He says he needed to see this due to the clauses included which were specific to student loans. Mr A says it took Capquest more than a year to provide a copy of his agreement and the copy provided was illegible. He then contacted Capquest in March 2017 explaining his situation and then a further three times before Capquest responded (July 2017) providing a legible copy of his agreement and saying it would look into his concerns.

Mr A says he wrote to Capquest in September 2017 to which it responded saying he had provided no more evidence when he had made further reference to the case notes. In February 2018, Mr A wrote to Capquest asking it to remove the debt from its records, apologise for its lack of assistance and to pay compensation for the time he had spent dealing with this issue.

Capquest says that it originally started to manage Mr A's account in August 2015 which was after the default had been applied. It says it received Mr A's document request in September 2015. It apologised for how long it took for Mr A to receive a copy of his credit agreement but says this was outside of its control as this had to be requested from a third party. In its final response letter it says a further copy of the agreement is supplied due to Mr A's comment that the first copy was illegible.

Capquest apologised that Mr A was contacted by telephone and says this happened as although Mr A had said he didn't want any calls this information was not retained after his account had been recalled by the owner and then transferred back to Capquest. It says that at the time of the letters dated March 2017 it was not managing Mr A's account.

Our investigator thought it reasonable that Capquest asked for further information in regard to Mr A's inability to repay his loan. He noted that Capquest had said if the information was provided it could consider writing off the debt. Our investigator thought this was fair.

In regard to the service Mr A had been provided, our investigator thought this wasn't good enough. He said that Mr A had been caused stress by receiving a letter two days before payment was due and that Capquest had admitted to other service errors. Because of the distress Mr A had been caused by the service he had received, our investigator recommended that Capquest pay him £150 compensation.

Capquest accepted our investigator's view. It said once Mr A had accepted the decision it would pay the compensation and ensure a letter was sent to Mr A advising him of its medical write off process and what evidence would be needed for this.

Mr A did not accept our investigator's view. He said that Capquest had not treated him fairly as it had treated his student loan like any other debt which was not correct. He said the conditions of his loan set out when it could be deferred and when it could be written off and that Capquest had ignored or mistreated his correspondence. Mr A said he had sent documentation and that he hadn't been asked for anything since then.

Mr A said that he has further evidence to show his inability to work but he would not provide this to Capquest as based on his previous experiences he did not trust Capquest. He said Capquest had several years to resolve his complaint and that he sent letters to it between December 2015 and June 2017 but it did not respond.

my findings

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

Mr A has not received the service he should have from Capquest. From the information provided, Capquest originally took over the management of Mr A's account in August 2015. Following this Mr A asked for a copy of his credit agreement. This took over a year to be supplied and Mr A says the copy provided was illegible. I understand that Capquest needed to request the document from a third party but as it has accepted this was an excessively long period for Mr A to wait and then it is disappointing the copy provided was not checked to ensure it was clear.

Capquest has explained that following it taking over the management of Mr A's account the owner recalled it before placing it back with Capquest. I can understand why changes in the management of the account could have been frustrating for Mr A but I cannot say that Capquest has done anything wrong by handing back the account and then taking back its management at a later date.

However, due to this transfer it appears that correspondence from Mr A went unanswered and this change has also been noted as the reason for Mr A receiving calls after saying he did not want this to happen. Capquest has apologised for the calls.

While I appreciate that the letters received while Capquest was not managing the accounts may not have had all the necessary information on I think it could have done more to assist Mr A. Mr A had raised concerns and these should have been noted and I think it reasonable to expect that ongoing correspondence would not be left without action.

Mr A has had to chase Capquest for responses and had to wait a long time for answers. He has received calls when he clearly asked not to. This has resulted in Mr A suffering inconvenience and stress and so I find it reasonable that compensation is paid. Our investigator recommended that Capquest pay Mr A £150 and I find this reasonable.

Mr A has asked that his debt be written off as he believes he has provided evidence to show that he will not be able to repay this. I note Mr A's comments about the terms of his loan and about his current and future situation. However I also accept that based on the information I

have seen it is reasonable that Capquest has asked for further information to support his request. I appreciate Mr A's comments about how this could have been dealt with at an earlier date and his concerns about providing information to Capquest. However Capquest has said it will provide Mr A with information about what is required for a medical write off and the evidence needed for this. I find this reasonable.

Mr A has also complained about the default notice he was sent in 2015 as this only allowed two days for payment to be made. Capquest has said that this was sent before it managed Mr A's account and has provided further information from the debt owner saying that there was a system error but that the termination notice was sent out correctly. I can understand why this was upsetting but this is not something I can hold Capquest responsible for.

my final decision

My final decision is that Capquest Debt Recovery Limited should, as it has agreed, pay Mr A £150 for the trouble and upset he has been caused due to the poor service he has received. It should also provide Mr A with its medical write off process and what evidence is needed for this to be considered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 31 January 2019.

Jane Archer
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