

complaint

Mr Q complains that Debt Managers has not given him proof either that it had authority from Lloyds TSB Bank to collect payments for a debt he owed the bank, or that it had passed these on to the bank. In addition, it did not provide him with a copy agreement and statement of account which he requested under sections 77 to 79 of the Consumer Credit Act 1974.

our initial conclusions

The adjudicator recommended that this complaint should be upheld in part. There had been some confusion as to whether Lloyds TSB had assigned Mr Q's debt to Debt Managers, or had simply appointed it as its agent to collect the debt on the bank's behalf. She was satisfied that Debt Managers was simply authorised by Lloyds TSB to collect the debt as its agent, and that it had passed the money it collected from Mr Q to the bank. The responsibility for providing the copy agreement and statements was the bank's, not Debt Managers'; she understood the bank had now provided these, together with a letter confirming it had authorised Debt Managers to act on its behalf. She considered Debt Managers could have handled Mr Q's requests for information better, and should pay him £50 compensation for the distress and inconvenience he had suffered.

Mr Q responded to say, in summary, that he had not received from the bank the promised statements and letter.

my final decision

To decide what is fair and reasonable in this complaint, I have considered everything that Mr Q and the business have provided. For the reasons set out overleaf, I conclude that Debt Managers is not required to provide further evidence or documents to Mr Q. However, it should pay him £50 compensation for its failure to handle his earlier request for information better.

My final decision is that I uphold this complaint in part. In full and final settlement of it, I order Debt Managers Limited to pay Mr Q £50 compensation.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr Q either to accept or reject my decision before **21 May 2013**.

signed:

date: 19 April 2013

Lennox Towers

ombudsman at the Financial Ombudsman Service

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

ombudsman notes

Under sections 77 to 79 of the Consumer Credit Act 1974, it is the creditor who is required to give copy agreements and statements to a borrower. As Lloyds TSB remained the creditor at all times, and Debt Managers only acted as its agent to collect payments, it was the responsibility of the bank, not Debt Managers, to supply these copies to Mr Q.

Mr Q had a separate complaint to this Service against Lloyds TSB arising out of the same facts. The ombudsman in that complaint required Lloyds TSB to supply copy statements, together with a letter to say it had instructed Debt Managers to act on its behalf, to Mr Q.

Lloyds TSB has now assured this Service that these documents have been supplied to Mr Q. If this is not the case, Mr Q should take this up with the adjudicator who is acting in the complaint against Lloyds TSB.

what is a final decision?

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

what happens next?

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.