

complaint

Ms N complains that PRA Group (UK) Limited is chasing her for a debt dating back to 2002. She wants PRA to stop contacting her, and to remove adverse information relating to this debt on her credit file.

background

Ms N said:

- The debt relates to a student bank account overdraft
- She was unaware that there was an outstanding balance on this account – because she thought the account had a protection feature, which was used to repay the overdraft
- The bank had applied unfair charges to this account, and so PRA should not have purchased this debt
- Given the length of time since the account was active, PRA should not be pursuing her for the debt, and the debt should not still be showing on her credit file

Ms N complained to the bank. It replied in February 2016, saying:

- The account was closed in 2006, and details of the account were no longer retained on its systems
- It would expect customers to raise any concerns within a reasonable period of time, and it was only obliged to retain information for six years
- It apologised for not replying to earlier correspondence from Ms N, and paid her £30 in compensation for any inconvenience caused

Ms N also complained to PRA. It replied in March 2016:

- It sent Ms N a statement of her account, which showed that she had been making nominal monthly payments since August 2011, and that her outstanding balance was just under £1,800
- It noted that Ms N had not contacted it previously to dispute the account balance, and said that it was unable to uphold her complaint

Ms N then referred her complaint to us. Our adjudicator noted that Ms N's complaint was against PRA, and so we would not be able to consider any concerns relating to the bank.

Our adjudicator did not think the complaint should be upheld. She noted that evidence provided by PRA showed that Ms N did not dispute the account balance with PRA until January 2016. Our adjudicator was unable to say that PRA had acted wrongly, because Ms N did not raise this concern sooner. Our adjudicator also could not agree that Ms N's debt should be removed from her credit file, because the balance remained outstanding.

Ms N disagreed with our adjudicator, and asked for her complaint to be reviewed by an ombudsman.

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 find that I have come to the same conclusion as our adjudicator, for the same reasons.

Ms N has told us that, because of a change in her personal circumstances, she is taking a detailed look at her debts, to find out if her situation can be improved. I commend her for doing this, and I can see from correspondence provided to us that PRA offered in February 2016 to settle this debt at 80% of the outstanding balance.

Ms N has questioned why PRA has not responded to her concerns about unfair charges, which she says the bank applied to her account. Unfortunately, she has simply taken too long to raise these concerns. As the bank told her, it is only obliged to retain information for six years.

Ms N may be unwilling or unable to accept PRA's settlement offer. But I agree with our adjudicator that it would not be fair or reasonable for the Financial Ombudsman Service to tell PRA to stop pursuing this debt. Neither can we tell PRA to remove adverse references to the debt from Ms N's credit file.

my final decision

For the reasons explained above, my final decision is that I do not uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Ms N to accept or reject my decision before 1 July 2016.

Roy Mawford
ombudsman