

## **complaint**

Ms S complains that MKDP LLP has treated her unfairly in relation to a credit card debt.

## **background**

In April 2014 MKDP told Ms S it was the new owner of a credit card debt she had with a third party. It also sent her a letter dated 10 April 2014, signed “for and on behalf of” the third party. That letter gave notice that the debt had been assigned by the third party to MKDP. Ms S says the letter isn’t authentic.

MKDP asked Ms S to repay the debt. Letters were exchanged and Ms S refused to acknowledge a debt was due. She said MKDP hadn’t produced the necessary documentation to show it owned the debt. She also said the debt was disputed with the third party.

Our adjudicator didn’t uphold the complaint. He felt that MKDP had behaved fairly and that Ms S owed the figure claimed by MKDP.

## **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 know it will come as a disappointment to Ms S but having done so, I’ve reached the same overall conclusion as our adjudicator. I’ll explain why.

Overall, I’ve identified five main points why Ms S feels MKDP are in the wrong. I’ll say in turn why I don’t agree with them.

### *1. She’s not been given sufficient evidence that MKDP own the debt*

I can understand that Ms S wouldn’t want to pay a third party who didn’t own the debt. As she’s pointed out, this could leave her exposed if the “real” owner came along later. I can also see that Ms S’s concern may have been prompted because at an earlier stage in 2013 the third party used an agency to *collect* the debt on its behalf. That’s obviously different from transferring ownership though. So I’ve focused on whether she’s been given enough information about MKDP’s status.

In the course of her complaint, I can see Ms S has been given a copy of her original credit card agreement. She’s also been referred to the letter of 10 April giving her notice of the assignment of the debt. As well, in November 2014 the third party specifically told her to contact MKDP for a settlement figure, because the debt had been sold to it. I think this is sufficient information to address any concerns Ms S might reasonably have about MKDP’s right to the debt. And I don’t think it’s necessary or fair for MKDP to have to give her the deed of assignment too.

### *2. MKDP LLP was deliberately misleading*

Ms S feels the letter of 10 April 2014 was not, in fact, written by the third party whose name appears at the top but was written by MKDP. She feels its motive was to trick her into paying and it was using false pretences. As our adjudicator has said, this service isn’t able to carry out a forensic investigation to determine whether the letter was fabricated.

But I would also add that it's not relevant who physically prepared the letter, if it is written with the knowledge and approval of the third party whose name is at the bottom. I haven't seen anything that makes me think that the third party didn't agree with it. And I am completely satisfied, not least from its co-operation with MKDP in relation to this complaint, that MKDP does now own it. So Ms S can safely pay what is outstanding, without any risk.

*3. MKDP LLP had no right to ask her to pay the debt because it was disputed with the third party*

Since she first started complaining to MKDP, Ms S has said that the debt was disputed. I've looked at this closely and think that MKDP responded fairly and reasonably to Ms S. In particular I've noticed that:

- MKDP approached the third party in 2014 for confirmation of Ms S's complaint about PPI. It only resumed asking Ms S for payment in August *after* it had got confirmation that the third party had no record of an ongoing dispute on file.
- MKDP placed Ms S's account on hold for 10 weeks from 8 May 2015 so that Ms S could take up with the third party any dispute she had about the charges applied.

*4. The balance claimed isn't due because the credit card limit was wrongly reduced and this resulted in incorrect interest and charges*

We've been able to look at this aspect of Ms S's complaint because it goes directly to what is owed for this debt and what Ms S needs to pay MKDP, as the owner of it. But that doesn't mean I can comment on what happened to the credit card and the debt before it was transferred to MKDP.

All I can say is that the third party has told us that Ms S owed £724.07, that's how much they told MKDP she owed and that's how much MKDP have tried to get her to repay.

If Ms S still feels the amount she is being asked to repay is incorrect then she will need to make a separate complaint against the third party for what happened up until the debt was sold to MKDP.

*5. The third party provided bad service*

Ms S says the third party didn't communicate with her properly over her complaints about the reduction of her credit limit and payment of PPI compensation. But we can't consider these issues – which *don't* relate to what Ms S owes MKDP for this debt or MKDP's conduct – within a complaint against MKDP. And even if Ms S were to make a separate complaint about these matters against the third party, it wouldn't change or alter what Ms S now owes MKDP.

So overall, I can't fairly tell MKDP to stop pursuing Ms S for repayment of the debt.

**my final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 29 December 2015.

Alison Miller-Varey  
**ombudsman**