

complaint

Mr P and his representative complain that he's been harassed by Paragon Finance PLC (trading as Idem Servicing) when it's attempted to collect a debt from him. They want the amount owed to be demonstrated as fair, for it to be reduced or written off and £100 compensation.

background

Our investigator didn't feel this complaint should be upheld. He said:

- It isn't our role to look into whether a debt is legally enforceable. That's a matter for a court. But we can look at whether it's fair to expect a debt collector to stop asking for payments or to stop taking reasonable steps to recover the money.
- In this case Paragon hasn't provided the original signed agreement between Mr P and the original credit provider. But it has provided a notice of assignment of the debt from the credit provider to Paragon and statements showing the amount owed and payments made by Mr P towards the debt at various times.
- Paragon has shown its seeking repayment of a debt that arose from an account Mr P opened and operated. And Paragon hasn't therefore done anything wrong.

Mr P's representative doesn't agree and has asked for an ombudsman review. It says Mr P disputes the alleged debt. Paragon hasn't provided a copy of the credit agreement and hasn't demonstrated a debt is owed. It cannot therefore verify if there is a debt or whether the amount claimed is in accordance with the agreement's terms or whether there was anything for the original credit provider to assign.

my findings

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

Some of the evidence in this case is incomplete, inconclusive or contradictory. So, I've made my decision based on what I think is more likely to have happened than not.

I agree with the investigator's conclusions for the same reasons.

Taking everything into account I think Paragon has shown on balance that the available evidence shows there was a debt owed by Mr P to the original credit provider. And it isn't for this Service to decide if the original agreement and debt is legally enforceable. That's a matter for a Court.

Here I agree with the investigator that the available evidence shows that there was a debt which has been assigned by the original credit provider to Paragon. And as such I think Paragon has acted reasonably by trying to recover it, as it's done. Consequently I don't think I can fairly or reasonably require Paragon to reduce or write off the debt or pay Mr P any compensation as he'd like.

If Mr P remains unhappy about the legal enforceability of the original agreement or with the amount owed he may wish to take this up with the original credit provider.

Overall, I don't see any compelling reason to change the proposed outcome in this case.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 1 July 2019.

Stephen Cooper
ombudsman