

complaint

Mr D complains that he is being pursued for a debt by Hillesden Securities Limited trading as Direct Legal & Collections (DLC) which does not belong to him. Further, it has recorded incorrect information on his credit file.

background

DLC acquired a debt in 2012. It was unaware that Mr D had raised a complaint with us about this debt against the original debt owner. Mr D told DLC about this. As a result, it put its collection activity had been put on hold until we issued a decision on Mr D's complaint in March 2013. Mr D's complaint was not upheld by us. As a result, DLC resumed its debt collection activity.

Mr D asked DLC for proof that it owned the debt. The original debt owner sent him a letter which confirmed the details of the original debt. Its system notes show this was sent out on 13 November 2013. Mr D says he did not receive this. Mr D does not believe that the debt is his. He is also unhappy that DLC did not know that he had brought a complaint about the debt when it took it over.

Mr D says that DLC has recorded incorrect information on his credit file about the debt. He brought a further complaint to us to consider.

The adjudicator did not recommend that the debt should be upheld. She was persuaded by the records of the original debt owner that a letter had been sent to Mr D confirming details of the debt. She did not consider that Mr D's failure to receive it was due to any fault of the original debt owner.

The adjudicator considered that the original debt owner was entitled to pass the debt onto DLC to try and recover the money owed to it. She noted that DLC was not originally aware that Mr D had raised a complaint with us. The adjudicator did not consider this had adversely affected Mr D. Debt collection activity had been put on hold when it was made aware of it.

The adjudicator had checked Mr D's credit file. She noted that DLC had not made any entries on it.

Mr D is not happy to accept the adjudicator's recommendation. He says that DLC would have been aware of his complaint to us if it had carried out proper due diligence when the debt was transferred to it. Further Mr D did not receive details of the debt in November 2013.

Mr D adds that DLC issued court proceedings against him, but did not give him proof of the debt until three months later.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Complaint to us

Mr D is unhappy that DLC was unaware when it acquired the debt that he had brought a complaint to us to consider against the original debt owner. DLC was however reliant on the

latter to tell it about it. Any failure in this respect is not due to a fault on DLC's part. I do not agree that proper due diligence by it would have necessarily have disclosed this information.

When DLC became aware of the complaint to us, it suspended all debt collection activity. I find that this was fair and reasonable. Such activity did not resume until we had made a final decision in Mr D's complaint. Again I consider this was reasonable.

Legal proceedings

Mr D asked DLC for proof that it owned the debt in mid 2013. It sent him a copy of the Deed of Assignment. This did not refer to his debt and so he asked for more evidence. Before Mr D received this, DLC started legal proceedings to recover the debt. I note however that these legal proceedings were put on hold while Mr D disputed ownership of the debt.

Mr D has now received confirmation that shows he owns the debt. Although DLC may have instigated proceedings before Mr D had been provided with this proof, they were later put on hold until he received confirmation of this. As such, I find that DLC remedied the fact that it started legal action before it had provided Mr D with proof of the debt. I consider that DLC has acted fairly in taking steps to try to recover the money owed by Mr D. The debt has been outstanding for some time, and it is reasonable that legal action is taken to try and recover this.

Entries on credit file

Mr D is unhappy with information he says DLC has recorded on his credit file. As the adjudicator has explained, the adverse entries were recorded by the original debt owner, and not by DLC. I appreciate that Mr D has received letters from DLC which says that it may record adverse information on his credit file. It does not appear however that it has in fact done this.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr D to accept or reject my decision before 11 March 2015.

Rosemary Lloyd
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