

complaint

Mr S complains that Apex Credit Management Limited ("Apex") did not carry out the due diligence it should have when it bought a credit card debt he owed to a card company ("Company C"). If it had, it would have found his debt was covered by a valid PPI policy he had. He says Apex also harassed him unnecessarily.

background

Mr S took out a credit card with Company C in 2003. He fell into arrears with his payments, and in July 2008, a default was registered on his credit file. In December 2008, Company C sold the debt to Apex when the balance outstanding was £9,976.97.

Apex tried to contact Mr S to discuss repayment of the balance. In 2009, he sent three small payments totalling £6.00, but said he could not pay more. Company C contacted Apex in 2010 to say that it had made a PPI refund in respect of Mr S, and so the balance it had transferred was reduced by £863.54.

In November 2014, Mr S complained to Apex that he had a PPI policy linked to the card account, but Company C had failed to apply this to his debt, which would have safeguarded him. He said that when Apex bought the debt from Halifax in 2008, it had a legal obligation to ask if there was PPI linked to this debt, and to ask Mr S if there was any reason why it could not be used. It had not done so, and had then harassed him for a debt that did not exist.

Apex asked Company C for further information about any PPI policy that Mr S had for his card account, but has not received any response. It said that if Mr S wished to pursue the issue of PPI further, he would have to take this up with Company C. Apex had no involvement with the selling of PPI on this account, and responsibility for any PPI issues had not been passed to Apex when it bought the debt. It gave contact details for Company C to Mr S. It said that Apex had done nothing wrong, and had not harassed Mr S.

Our adjudicator did not recommend that this complaint should be upheld. He said that he had looked at the guidance issued by the Office of Fair Trading and the Financial Conduct Authority, but had seen nothing which suggested that there was any legal obligation or other requirement for Apex to carry out the due diligence Mr S referred to.

Liability for PPI issues did not pass to Apex when it bought the debt, and it was not responsible for selling or administering the PPI. Company C had told Apex in 2010 to reduce the balance of the debt by £863.54. This seemed to be as a result of a PPI complaint. If Mr S was unhappy with the amount refunded, or the way the refund was processed, this was something he would need to take up with Company C. He did not think Apex had made any error in the way it administered the debt.

Mr S responded to say, in summary, that Apex had repeatedly pressured him to pay a debt he did not owe, which would not have happened if it had carried out proper checks when it bought the debt.

my findings

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

Like the adjudicator, I think that the issues of what the amount of the debt was, and whether there was ever a valid PPI policy in place to pay some or all of this debt, are two separate matters.

Apex only bought the debt. It did not take on any responsibility for anything connected with PPI. If Mr S considers that he has further rights in relation to PPI, over and above the amount of the refund that has been credited to his account, he needs to take this up with Company C.

In the meantime, Apex is entitled to seek repayment from Mr S of the amount of the debt it has bought from Company C, which at present stands at £9,107.43. I do not consider its actions to recover this amounted to harassment of Mr S.

my final decision

For the reasons I have set out above, my decision is that I do not uphold this complaint, and make no order against Apex Credit Management Limited

Under the rules of the Financial Ombudsman Service, I am required to ask Mr S to accept or reject my decision before 3 August 2015.

Lennox Towers
ombudsman