

## **complaint**

Mrs M complains that PRA Group (UK) Limited wrongly pursued her for a debt.

## **background**

Mrs M took out finance with a third party to buy a computer. When it developed a fault Mrs M made a complaint and withheld payment. The third party took steps to enforce the debt against Mrs M and in 2004 the debt was sold to PRA Group. Over the years PRA Group tried to obtain payment and wrote a number of letters to Mrs M. The debt became statute barred but PRA Group continued to write to Mrs M and in one letter in 2011 threatened to issue court proceedings. Mrs M contacted PRA Group in 2014 and told them that the debt was statute barred and she did not want any further letters. Mrs M says that the debt has been wrongly sold on to PRA Group and it has acted illegally by chasing her for the debt and ruining her credit rating. This has caused her considerable distress and inconvenience. PRA Group has said that it was not aware the original debt was disputed and as soon as Mrs M contacted the business and said that the debt was statute barred it ceased all contact. PRA Group accepted that its agent should not have threatened court proceedings after the debt became statute barred and it has offered £50 in recognition of the upset caused.

Our adjudicator considered that the offer made by PRA Group was fair and reasonable. She considered that it was reasonable for PRA Group to try to secure repayment as it had been in contact with Mrs M before the debt became statute barred. She thought that it would have been reasonable for Mrs M to tell PRA Group about the dispute and to explain that the debt was statute barred before she did. She considered that the letters sent by PRA were not excessive or factually incorrect save for the 2011 letter threatening court action. She considered that the offer of £50 was reasonable to reflect the inconvenience caused to Mrs M by this letter. Mrs M did not agree and responded to say in summary that PRA Group had acted illegally and in breach of rules and guidance and £50 was not enough.

## **my findings**

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

I can only consider the complaint against PRA Group and not the original creditor in this decision. It has been explained to Mrs M, by the adjudicator, that this service only has jurisdiction to consider matters that happened after 6 April 2007. I can understand that this is frustrating for Mrs M as she considers that her complaint is linked with her dispute against the original creditor and everything is relevant. I sympathise with her position but I am only able to consider things that are within the jurisdiction of this service.

I can understand why Mrs M thinks that PRA Group should have been aware of her dispute with the original creditor when the debt was sold. Since the debt was sold in 2004 I am unable to comment on this aspect of the complaint for the reasons I have just explained.

Mrs M has said that she did not contact PRA Group at all because she did not want to prejudice her position. I appreciate why Mrs M has done this but I can't say that PRA Group has acted unreasonably in continuing to chase her for the debt when she did not tell it about her dispute or complain about the collections activity. Although Mrs M has said that PRA Group should have known I can't conclude on the evidence I have that it did know and so I can't say it has treated Mrs M unfairly in the circumstances.

PRA Group would have known when the debt became statute barred but the applicable rules and guidance allow a creditor to continue to ask for repayment if it has been in regular contact with the debtor before the debt became statute barred unless the debtor contacts the creditor to tell them the debt is statute barred. I have reviewed all of the letters sent to Mrs M and I can see that PRA Group were in regular contact before the debt became statute barred. I can't see that PRA Group wrote to Mrs M again after she contacted it and said that the debt was statute barred. However PRA Group should not have threatened court proceedings after the debt was statute barred. The letter in 2011 sent by an agent of PRA Group was factually incorrect and wrongly threatened court proceedings. Overall, looking at the letters sent to Mrs M I can't say that PRA Group has acted unreasonably or treated her unfairly in the circumstances except for the letter in 2011. I consider that the £50 offered by PRA Group is fair and reasonable to compensate for the inconvenience caused by that one letter.

Mrs M feels very strongly that she has been wrongly pursued for a debt, her credit rating has been damaged and she has suffered significant loss. She has referred to the Supreme Court decision in the case of *Durkin v DSG (trading as PC World)* and *HFC Bank [2014] UKSC 21* and considers that PRA Group has breached regulations and acted illegally. This service is not able to consider these matters in the same way as a court of law or the regulator. I can understand that this is frustrating for Mrs M but PRA Group is required to share information with credit reference agencies about accounts and in the absence of any contact from Mrs M I can't say that it acted unfairly or unreasonably.

I know that my decision will be a disappointment to Mrs M but within the rules of this service I am unable to conclude that the complaint should be upheld.

### **my final decision**

My decision is that the offer made by PRA Group (UK) Limited is fair and reasonable and I leave it to Mrs M as to whether she wishes to accept it. Under the rules of the Financial Ombudsman Service, I am required to ask Mrs M to accept or reject my decision before 21 May 2015.

Emma Boothroyd  
**ombudsman**