

complaint

Mr L complains about a debt that Arrow Global Limited is seeking repayment of. He says he has already repaid the debt and he is unhappy about being pursued for further payment.

background

The complaint was considered by one of our adjudicators who recommended it be upheld. He found that the debt that Arrow Global was now asking Mr L to repay was likely to have been the debt that had already been repaid. He recommended Arrow Global cease any further collection of the debt.

Arrow Global did not accept the adjudicator's findings and still maintains that the debt Mr L has repaid is not the same debt it is seeking to recover. The complaint was therefore passed to me for consideration.

Having initially reviewed the complaint I asked the adjudicator to explain to Arrow Global that I was minded to agree with the conclusions he had reached but that Arrow Global should also ensure this debt is marked as settled on Mr L's credit file. I also felt that an additional £200 award for the distress and inconvenience caused was due.

I invited further comments from Arrow Global but it merely reiterated its early comments and that no account number was provided by Mr L for the settled account.

my findings

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

Arrow Global says the debt it is seeking to recover was purchased in May 2011 and the debt originated from a bank account overdraft. Arrow Global has provided the bank account sort code and account number of the original account which it says relates to the debt it is seeking collection of.

Arrow Global has provided some information from the company it acquired the debt from and amongst other things, this shows payments of £50 were being paid to the debt. The last payment however shows as being made in September 2009. Arrow Global says it has not received any further payments to the debt since then.

Mr L says he has continued to make regular payments of £50 and has done so both before and after September 2009. He has provided a copy of a letter from Collector B that shows the account has been fully repaid and has nothing further due. Collector B has told us that it took over collection of the debt from Collector A.

Having very carefully considered the information that has been presented in this complaint I think it is more likely than not that the debt that Arrow Global is seeking payment of is the same debt that Mr L has already repaid. The information obtained in this case, and which has been provided to Arrow Global, links the original debt to the debt it is seeking to repay and Arrow Global should therefore no longer pursue this debt.

All parties accept that the debt Mr L says he repaid and the debt Arrow Global is seeking payment of originated from a bank account and overdraft. The information obtained from Collector A refers to the account number and sort code and these match the details Arrow Global says the debt relates to. Collector A's information shows that on 2 September 2003 £50 each month was being repaid and £6,381.84 was outstanding.

Collector B says the original debt was £7,331.84 and although this is different to the £6,381.84 above this is likely due to the payments made between the two periods. Both accounts have £1.84 due and this would not be affected by the £50 repayments being made each month. Collector B has also told us that it took over collecting on the account from Collector A. I am satisfied, on the balance of probabilities, that these two debts are the same debts.

Collector B is the same company that wrote to Mr L more recently to say that the account had been repaid in full now that the last payment of £31.84 had been paid. Looking at the £31.84 that was the final amount due on the account and having considered the £50 Mr L had been paying each month, this also links the debt to the earlier original debt of £7,331.84. As referred to above, this is the same debt as being collected by Collector A, which is the debt that we know is linked to the same account number and sort code that Arrow Global is seeking repayment of.

Although I accept there is no constant account reference number that links the account through the different collection agents to Arrow Global, this is likely however just to be a result of the number of agents involved in collecting the debt. I cannot be certain why Arrow Global was not correctly informed when it first bought the debt or why the payments Mr L has been making were not applied to the debt that was passed to Arrow Global. This is again however likely to be because of the different agents involved in the collection process over the years. This is of course no concern of Mr L's and is something Arrow Global may wish to discuss with the company it acquired the debt from. The information presented here is sufficient for me to conclude that Mr L has now repaid the debt in full and that Arrow Global should not be seeking anything further from him.

Arrow Global is required to ensure the account it is seeking payment of is a valid debt but I have seen little evidence here of any reasonable enquiries that it has made. Even when Arrow Global was provided with information by the adjudicator that demonstrates the debt was repaid it still did not accept this.

I think that Arrow Global's failure to make reasonable enquiries into the validity of this debt when Mr L first raised this issue, and its continued pursuit of the debt, would have been distressing and inconvenient for Mr L. In the circumstances, Arrow Global should make a payment in recognition of this and I think that £200 is reasonable here.

Finally, as the debt has now been settled, any information with credit reference agencies relating to this debt should be amended to show it is repaid. Arrow Global should ensure this is done swiftly and then provide confirmation to Mr L so he can keep this for his records.

my final decision

My final decision is that I uphold this complaint and order Arrow Global Limited to:

- cease any further collection activity on this debt and ensure nothing is showing as due on the account;
- amend any credit reference files to show the account as settled and write and confirm once done to Mr L; and,
- pay £200 for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr L to accept or reject my decision before 2 December 2014.

Mark Hollands
ombudsman