

complaint

Mr B complains that PRA Group (UK) Limited has refused to accept a reduced settlement for a debt.

background

A few years ago Mr B experienced financial difficulties and accumulated debts, some of which he has cleared by making settlement offers to his creditors.

PRA purchased one of Mr B's debts from MBNA in May 2015 with a balance of £5,406.25. Mr B says that his other creditors were willing to accept 40% of the debt in full and final settlement and he asked PRA to do the same.

PRA refused to accept 40% of the debt but said that it would accept £4,325. Alternatively it said that it would accept repayments of £31 per month.

Mr B says that it would take him many years to repay the debt on this basis. He feels that PRA hasn't behaved fairly and he wants it to accept a lesser sum in full and final settlement as his other creditors have done.

The investigator did not uphold the complaint. She said that PRA had taken Mr B's income and expenditure into account in considering his offer of settlement, and that it wasn't obliged to reduce the debt.

Mr B did not agree. He said that it wasn't fair of PRA to require him to repay the full amount when all other creditors had accepted a lesser sum.

my findings

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

I can see that PRA has taken Mr B's income and expenditure into account in reaching its decision. It says that the figures show that Mr B has a disposable income each month. I'm satisfied that PRA has considered Mr B's financial circumstances. And because Mr B has the ability to repay, it's not unreasonable of PRA to require him to repay the full debt.

The fact that one or more of Mr B's creditors has accepted 40% in full and final settlement doesn't mean that PRA is obliged to do the same. And this service doesn't have the power to tell PRA to reduce the debt.

I've looked at the way in which PRA has dealt with Mr B. It has replied to all of his correspondence and has behaved positively and sympathetically by offering to accept monthly repayments and by signposting Mr B to debt management advice services.

Mr B has expressed frustration that PRA's emails disappear after a short time. PRA has explained that all of its emails are password protected and that the password expires after 7 days. It says it is happy to re-send any emails that Mr B wants.

I appreciate that Mr B is disappointed that PRA won't accept his offer, especially when his other creditors have done so. But ultimately, the decision to accept a reduced settlement is a business decision for PRA and not one with which this service can interfere.

Taking all of the circumstances of this complaint into account, I don't think that PRA has behaved unfairly or unreasonably and I won't be asking it to do anything.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 11 September 2017.

Emma Davy
ombudsman