

complaint

Miss S complains that Moorgate Loan Servicing Limited will not provide her with proof that she must pay them in respect of a debt, or of how much is owed on that debt.

background

Miss S had a debt which was sold to another lender. Moorgate wrote to Miss S to ask her to pay the debt. Miss S offered Moorgate a reduced lump sum in settlement of the debt, which Moorgate would not accept. Miss S says that, when she asked Moorgate for a copy of a notice of assignment of the debt and for a breakdown of how much was owed, it would not give it. She considers that Moorgate should be made to provide this, if she is being asked to pay the debt.

Moorgate says that the debt was lawfully sold and does not accept there is any reason why it cannot ask Miss S to repay it as the debt servicing company.

As things were not settled, Miss S brought her complaint to this service where an adjudicator investigated it. From the evidence, the adjudicator was satisfied that Moorgate was entitled to ask Miss S to pay the debt. The adjudicator also felt that sufficient information had been provided to show what was owed. Because of that, the adjudicator did not recommend that the complaint should succeed.

Miss S did not agree and (through her representative) said, in summary:

- A settlement payment that Miss S had previously accepted from the original lender does not mean she is liable to pay this debt.
- Miss S has not been shown a notice of assignment, which she has asked for.
- The debt buyer has told Miss S that the debt no longer exists, so she now requires some proof that Moorgate is recovering that debt on behalf of the debt owner.
- Miss S has paid towards this debt through a debt repayment plan, and so there should not be so much still owing.
- Nobody has provided proof that this debt still exists.

my findings

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

Miss S accepts that this debt was originally owed by her to a credit card company. It was then sold on, with notice from the credit card company to Miss S about the change. But it seems that there has been a degree of confusion after that about whether Moorgate was acting as debt servicer for the new debt owner, or had actually bought the debt itself.

That confusion was not helpful. However, Moorgate has now confirmed that it is acting as servicer, rather than owner, of the debt. The adjudicator has provided Miss S with a copy of the original credit card contract, a complete schedule of all entries on the credit card account during its life, copies of the letters from the credit card company giving Miss S notice that her debt was being sold and a complete breakdown of all payments and the resulting balances since the debt began to be serviced by Moorgate in 2012.

Whilst I realise that Miss S's representative remains unhappy and says this all seems very murky, I do not agree and find that Moorgate has provided sufficient evidence to show how much Miss S still owes. I cannot see any basis on which I can fairly direct Moorgate not to ask Miss S to pay this debt, or to accept that the starting point should be a lower figure.

Should Moorgate take legal action on behalf of the debt owner to recover the debt, then that will of course be a separate matter for the court – rather than me – to decide.

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 Miss S to accept or reject my decision before 28 September 2015.

Jane Hingston
ombudsman