

complaint

Ms M complains about the debt collection activities of Arrow Global Accounts Management Limited (AGL).

Background

Ms M's complaint relates to a former bank overdraft. The account was defaulted and the original lender sold the account to another business in October 2007. The account was then subsequently sold to AGL in May 2011.

In summary Ms M says;

- AGL passed her account to a number of different debt collection agents.
- The debt collection letters were not in line with the Office of Fair Trading (OFT) guidance.
- AGL has rejected her settlement offer.
- The outstanding balance on the account is incorrect.

Our adjudicator did not recommend that the complaint should be upheld. He did not think that AGL had done anything wrong.

Ms M disagreed with the adjudicator's view and requested a review by an ombudsman.

my findings

I've considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I don't uphold this complaint.

I appreciate that Ms M is frustrated, having dealt with a number of different debt collection agents. However, I do not think that AGL has done anything wrong. It is entitled to appoint debt collection agents to manage its accounts; if one agent is unsuccessful in reaching a repayment plan, then it is not unreasonable for it to appoint a different agent. Therefore, I do not uphold this part of the complaint.

I have also looked at the letters sent by AGL's debt collection agents; from what I have seen, I don't think that the content or frequency of the letters are in breach of the OFT guidance. It is not unreasonable to mention potential court action or to set deadlines for settlement offers, when seeking repayment of a debt.

Ms M is unhappy that AGL refused to accept her offers of settlement. In particular, AGL proposed a 45% reduced settlement offer in October 2012, but when she got the funds together in March 2013, it withdrew the offer. I can see from the contact records that AGL had agreed to extend the offer until November 2012, so by March 2013 the extended deadline had passed. In any event, AGL is under no obligation to extend a reduced settlement offer or accept an offer of settlement from Ms M.

Ms M says that the balance of the account should be reduced by the PPI refund due from the original lender and because the original lender charged interest when she was in financial difficulty. As explained by our adjudicator, these matters relate to the original lender and cannot be considered against AGL. Looking at the account summary provided by AGL, I

think that the outstanding balance is correct. It follows, that I do not uphold this part of the complaint.

I appreciate that Ms M has found AGL's attempts to recover the debt to be stressful. However, I cannot say that AGL has done anything wrong. Ms M does not have to accept my decision; she may wish to pursue this matter in the courts.

my final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Ms M to accept or reject my decision before 26 June 2015.

Karen Dennis-Barry
ombudsman