

## **complaint**

Mrs B complains that Paragon Finance PLC (Idem) is chasing her aggressively for a debt she disputes owing. And she further complains that unfair charges have been applied. She wants the debt written off or reduced and compensation.

## **background**

Mrs B is represented in this complaint by F, a firm.

On behalf of Mrs B, F informed us that she believes the debt originates from a personal loan of over £20,000 taken out with a bank I'll refer to as "H". F told us it considered the debt was made irresponsibly - as adequate checks had not been carried out. And it considered the debt to be unenforceable. It said Mrs B considered that the correspondence and communications she'd received from Idem had been aggressive. And that charges and costs had been added to the debt. It said that Mrs B denied owing the sum now claimed - £7,327.02

Idem told us the debt related to a bank account overdraft and a personal loan which had originally been owned by H. It said that the debt had been sent to H's recovery services in 2009. And it had been sold by H in 2013 to a company I'll refer to as "M". Idem said it had subsequently bought the debt from M in December 2016. It said it considered the debt was that of Mrs B.

Our adjudicator did not recommend the complaint should be upheld. She thought Idem had provided a transaction history to Mrs B which confirmed account movements from November 2012. She said these showed a balance of over £7,000 remained outstanding. She said she hadn't seen any information to show her that Idem had sent aggressive or inappropriate letters to Mrs B, when chasing the debt.

Mrs B was not satisfied with this outcome. She felt Idem hadn't established how the debt arose and wanted a final decision to be made by an ombudsman.

## **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'm sorry that Mrs B seems to have experienced financial difficulty. And I accept this is always a stressful situation with which to have to contend.

The terms of the original complaint from F were rather wide and did not seem to distinguish between those issues which were for Idem to address and those which F knew, or ought reasonably to have known, were not Idem's responsibility. So I need to explain what matters I can look at in relation to Idem and those issues that should be referred elsewhere.

I also need to say that I don't apply the law - directly - although I do take it into account. This means it's not for me to decide if Mrs B owes this debt or if it's enforceable - that would be for a court to determine. I've not seen anything to show that Idem has commenced legal proceedings. What I'm looking at, is to see if Idem has reasonable grounds for believing that Mrs B owes the debt and, if so, has it been fair in the way it has sought to recover the debt.

I'll deal briefly with the issue of affordability. Idem was not the original suppliers of this loan and/or bank account and so had nothing to do with assessing its affordability. If Mrs B is able - after this length of time - to bring a complaint about affordability it would need to be addressed to the original supplier of the finance.

Idem is inevitably relying on information supplied by H as to the origins of the debt. From the information I've seen the debt comes from a personal loan and an overdraft facility supplied by H. The relevant account numbers were identified in our adjudicator's view letter. The account details I've seen all appear to refer to Mrs B. I think Idem is entitled to rely on the information supplied by H and to conclude that this debt was properly owed by Mrs B.

I've seen information from the original owner of the debt, H, that it assigned (sold) the debt on 30 January 2013. And that it notified Mrs B at the time. On the date of this assignment the debt was £11,423.91. I've also seen a copy of a letter dated 23 November 2016 which was sent by Idem to Mrs B at her current address. This letter indicated that Idem had bought the debt with effect from 12 December 2016. At that date the statement I've been provided with shows the debt at £7,872.08. So I think Mrs B was properly notified of this assignment.

I've also seen a copy of a statement dated 15 February 2019 and which Idem supplied to Mrs B. This shows the history of payments made on the account from November 2012 until November 2018. The statements show that payments have been made regularly throughout the period up until July 2017. After that, payments have been irregular and the last payment of which I've seen a record is on 5 November 2018. The account also shows a reducing balance consistent with those payments that were made. And I can't see where charges have been added since Idem acquired the debt.

As payments have continued to be made on the account I think this shows Idem had reasonable grounds for believing Mrs B owed the debt - and that she accepted that she did. And it was, in my opinion, entitled to take steps to try to recover the rest of the money it was owed.

Nothing in the information I've been given suggests to me that Idem has been aggressive in its dealings with Mrs B. The letters I've seen I'd characterise as factual in content and restrained in tone. I accept it may well be upsetting to receive any communication about a debt - but there's nothing here that makes me believe that Idem acted inappropriately.

In summary, I don't think Idem has done anything wrong in relation to this complaint. It has reasonable grounds for believing the debt is that of Mrs B and that it is entitled to seek repayment from her. I also think it has acted reasonably in the manner in which it has pursued the debt.

### **my final decision**

For the reasons given above my final decision is I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 15 September 2019.

Stephen D. Ross  
**ombudsman**

