

complaint

Mr H complains PRA Group (UK) Limited has continued asking him for repayment on a credit card debt despite it being unenforceable. Mr H also disputes the amount PRA says he owes, and says it has used aggressive tactics to try to get him to pay.

background

PRA contacted Mr H in October 2016 with a notice of assignment, saying it was now responsible for collecting his credit card debt of £3,623.60. Mr H made monthly payments to PRA until May 2017.

Mr H requested information about the original agreement in January 2017 but PRA and the original lender couldn't provide this - so have both said the debt is currently unenforceable. This means PRA and the original lender can't take Mr H to court for payment of the debt, for example, but PRA can still ask him to pay.

Mr H is unhappy PRA has continued to contact him about the debt. He says he may already have paid off the debt so he doesn't agree the amount PRA says he owes is correct – or that a debt still exists.

Our investigator didn't uphold Mr H's complaint. Looking at the information provided by both parties, he said he was persuaded a debt did exist and PRA had done nothing wrong in continuing to seek repayments.

Mr H disagreed. He said PRA hadn't properly checked what amount was outstanding and has been unable to prove that the amount is correct. He has also said, because the original lender has been unable to provide a copy of the original agreement, he didn't think it had a contractual right to sell the debt on.

my findings

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

When looking at Mr H's complaint I need to consider if a debt existed – and if it did, whether it was fair to expect PRA to stop asking for payments or taking reasonable steps to recover the money.

I've seen screen shots of Mr H's payment history from before the debt was purchased. These show that Mr H had been consistently paying money off the debt each month since January 2015.

When PRA contacted Mr H in October 2016 it told him the outstanding balance. It also said if Mr H was dealing with a debt advisory service he would need to make them aware that the recovery of the debt had passed to PRA. Following this, monthly payments of £11.42 came from a debt advisory service - and I can see Mr H's balance had reduced to £3,532.24 at the time of his last payment in May 2017. This was also quoted as the remaining balance by the original lender when it contacted Mr H in December 2017 to say it couldn't enforce its agreement with him.

So I'm persuaded a debt does exist. PRA made Mr H aware of the outstanding balance when it became responsible for collecting the debt. Mr H didn't raise any objection to the amount PRA said he owed at this time and he was consistently repaying the debt each month both before and after it began collecting it. I don't think it's unreasonable for PRA to accept that the amount owed was what the original lender said it was and I've not seen anything that persuades me the amount is incorrect, so I wouldn't expect it to have done further checks.

It's not for this service to decide whether or not a debt can be legally enforced. PRA has said it accepts the debt is currently unenforceable but this doesn't mean it can't ask Mr H to make repayments – and I agree that it can still do this. This is because I find that PRA has provided enough evidence to show Mr H owes the debt, and it's entitled to seek payment on behalf of the current creditor.

PRA put Mr H's debt on hold while it tried to get a copy of the agreement from the original lender and I can't see anything to suggest it acted unfairly or aggressively when it did contact Mr H.

So I don't think it has done anything wrong in continuing to contact Mr H about the debt.

my final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 27 September 2019.

Michael Baronti
ombudsman