

complaint

Mr C feels that Arrow Global Limited (Arrow) hasn't treated him fairly over a debt.

background

Mr C has a debt which originated from another firm which Arrow took responsibility for. Arrow has at times outsourced the management of this debt to other parties. Mr C has had this debt with Arrow for a number of years. He isn't making payments towards it. Mr C complains about the customer service Arrow has provided over this time, including failing to respond to correspondence, updating his credit file and didn't respond sufficiently quickly to his subject access request.

Mr C complained to Arrow and wasn't satisfied with its response so he brought his complaint here. The adjudicator thought that a payment of £150 for the distress and inconvenience was fair and reasonable. Mr C does not agree and wants the debt and default removed. So his complaint has been passed to me.

my findings

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

Arrow has supplied this office with all its records on the matter. Mr C has provided his views on the matter in full. Mr C had complained to Arrow about a default placed on his credit file. Arrow responded to this complaint on 3rd September 2013. Mr C didn't bring his complaint about this issue to this service within six months. As has been explained to Mr C, under our rules, this means we cannot address this element of his complaint.

Having considered the customer service provided by Arrow it is clear it has failed to deal with Mr C's correspondence appropriately on some occasions. I can also see that Arrow didn't deal with his subject access request appropriately either. He paid Arrow the fee in May 2015 but didn't respond properly until November. Clearly this isn't an appropriate timeframe for such a request.

Mr C is also complaining about Arrow asking other companies to administer his debt. I can see that Mr C hasn't been informed of such changes particularly well and there has been understandable confusion. However it is for Arrow to decide on its commercial decisions such as outsourcing the administration of such debts and not this service. I can only consider how it was done and whether Mr C was treated fairly-and it seems to me that there were failings in the correspondence sent to Mr C (or not sent).

Mr C is also unhappy there have been failings in the manner in which Arrow has updated his credit file. Arrow has accepted it should have done more in reporting to the credit file-but points out that what it did report was correct and had it reported properly the credit file would look worse than it does currently. So it doesn't feel Mr C has lost out because of this.

So I can see a number of reasons why Mr C would be frustrated with how he's been treated by Arrow due to these administration errors. But I can also see that Mr C hasn't made any substantial payments towards this debt for some years and is somewhat entrenched in his views to my mind. I don't think what Mr C wants (full write off of debt and removal of default) is a fair solution to the situation. I say this because although Arrow has made a number of

errors in its dealings with Mr C I don't think they are sufficient to amount to such a solution being fair-bearing in mind the existence and origin of the debt is not disputed substantially.

Having considered all these matters and particularly that there had been little effective movement in this dispute for some years I asked the adjudicator to liaise with both parties to see if we could agree a solution to the whole matter that would be agreeable to both parties.

Arrow said it would be willing to settle the whole affair by Mr C making a payment of 50% of the outstanding debt and his credit file recording that the matter had been partially settled. Bearing in mind this is a 50% reduction in a debt which isn't substantially in question I think, considering everything, that this is a fair solution to the matter.

Mr C responded by saying he didn't think it was sufficient and that he would rather not take the deal offered and let the situation play out and go to court if need be. Bearing in mind that the debt isn't disputed in the round I think the offer made by Arrow is fair and reasonable in the circumstances. Bearing in mind this offer's size I don't think it fair to add any distress and inconvenience payment on top. I think it is a significantly more generous offer to Mr C than was previously available considering what has happened.

Mr C has said the offer doesn't measure the stress and frustration involved. However he's also refused to pay a debt he knows he has had for many years. Although I appreciate what has happened would be frustrating and stressful I'm not persuaded this was sufficient for me to consider the offer made to be unreasonable. I do not consider Mr C's arguments for a higher award to be persuasive. Mr C does have the option of not accepting my decision. However in such a circumstance Arrow would be entitled to pursue him for the full amount.

As a consequence of all of this I consider the settlement offer of a 50% of the debt (£699.51) and the credit file reflecting a partial settlement as fair and reasonable in the circumstances. I make no award for distress and inconvenience for the reason already given. If Mr C chooses to accept the deal offered, he should make the payment direct to Arrow within 30 days of signing his acceptance of this decision. If no payment is made within that timeframe Arrow is entitled to pursue the full debt. If Mr C does make payment in time then Arrow should write to Mr C confirming receipt of payment and notifying him of acceptance of the partial settlement and that it will/has updated his credit file appropriately.

My final decision

For the reasons I have explained my final decision is that I consider the settlement offer suggested by Arrow Global Limited of a payment of 50% of the debt (that is a payment of £699.51 being 50% of the debt owed) and the credit file reflecting a partial settlement as fair and reasonable in the circumstances. I make no award for distress and inconvenience for the reason already given.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr C to let me know whether he accepts or rejects my decision before 15 April 2016.

Rod Glyn-Thomas
ombudsman