

complaint

Mr B complains that PRA Group (UK) Limited (PRA) have been contacting him since he entered into a debt management plan (DMP). He says they should contact the debt management company who manages his affairs and not him and he says their unwelcome contact has caused distress.

background

In October 2014 Mr B entered into a DMP and appointed a debt management company to manage his debts. He says that the point of him entering the agreement was to stop creditors harassing him but he complains that PRA has and shouldn't have.

PRA say that they contacted Mr B in 2017 after his debt management company had been in touch to put the account on hold as they said Mr B had been working towards insolvency. They explained that, as they hadn't heard anything from the debt management company, they had to contact Mr B to establish the position. But they said the only contact they'd had other than this was to present annual statements and that was in line with what the Consumer Credit Act required of them.

But Mr B wasn't happy with their response and he therefore referred it to our service and our investigator reviewed the evidence. She agreed with PRA and accepted that communication had been limited and they'd only done what was necessary.

But Mr B disagreed. He stressed the point of having a DMP was to stop creditors hassling him and he asked for a final decision 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 know it will disappoint Mr B but I agree with the investigator's view and for similar reasons.

Once a customer enters into a DMP I would expect a creditor to accept the fact that payments are being made through it and keep communication to a minimum. They shouldn't make demands that harass or humiliate; contact the consumer unnecessarily or pressure them to make payments. If PRA had done this I would consider telling them to take some action to remedy the situation.

But there will be some occasions when a creditor has no other choice but to contact the consumer and here I think that was one of those occasions. Mr B's debt management company had told PRA that things had changed and that Mr B wouldn't be making payments whilst he considered insolvency. But they'd not heard anything more and in these circumstances I think a call was necessary and not unreasonable.

I've seen that Mr B's debt management company has been making payments to PRA for several years and that they appear to have communicated with each other successfully and been able to keep Mr B out of the loop. But legislation tells PRA that they need to provide their consumers with annual statements; default notices and arrears notices in a prescribed order. So Mr B has been and will continue to receive these but PRA shouldn't be in touch for any other reason.

my final decision

For the reasons I've given above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 29 October 2018.

Phil McMahon
ombudsman