

complaint

Mr and Mrs B complain that Wescot Credit Services Limited pursued an old debt they no longer owed.

background

I trust that Mr and Mrs B will understand that the following is a brief summary of the background to their complaint and does not go into detail, but they can be reassured that I have read all the material they and the business have supplied.

Mr and Mrs B experienced some financial difficulties and sought help from a debt management company I'll call S. It arranged repayment plans with creditors including a business I'll call AG which had taken over two, or possibly more, of the debts. In January 2012 it authorised Wescot to manage the two debts that are the cause of this complaint. These debts were for two credit cards provided by the same business.

Wescot contacted Mr and Mrs B in June 2013 about one of these debts and Mrs B informed it that the debt was being dealt with by another business I'll call M. Wescot obtained confirmation from AG that it had withdrawn the debt in June 2012, but it says it had not been aware of this.

Wescot says that S offered repayment plan for the second debt In September 2013, but the last payment was made in October 2013. It placed the debt on hold and following a review in 2016 it wrote to Mr B in pursuit of the debt. However, Mr and Mrs B had a letter from AG confirming it had previously withdrawn the debt from Wescot. They complained to both Wescot and AG. Wescot said it hadn't been told that AG had withdrawn the debt, but it apologised for any distress or concern it had caused. AG also apologised and offered £100 compensation.

Mr and Mrs B believed that the fault lay with Wescot as it had, on two occasions, failed to properly record instructions from AG. The matter was investigated by one of our adjudicators and Wescot then offered £75 compensation which it later increased to £100. The adjudicator considered this was a reasonable response, but Mr and Mrs B declined the offer. They considered Wescot had caused them significant distress while they resolved the problem. They also felt the adjudicator had not fully appreciated the difficulties they have faced.

my findings

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

Firstly I should make it clear that the role of the Financial Ombudsman Service is to resolve individual complaints and to award redress where appropriate. I do not perform the role of the industry regulator and I do not have the power to make rules for financial businesses or to punish them.

I would say at the outset that I recognise that Mr and Mrs B have encountered some very challenging times. I note that in addition to their financial worries Mr B has faced major health issues and to their credit I gather they are repaying their debts and expect to have them all cleared by the end of the year.

Turning to the matter that caused them to complain it's clear there were errors made which led to Wescot not recording that both debts had been withdrawn by AG. Wescot says it didn't receive the notifications from AG and it in turn says it sent them. I doubt if we will ever establish with any certainty what happened, but I appreciate that Mrs B believes AG's version of events. The end result is that Mr and Mrs B were caused distress.

Not wishing to take anything away from the stress faced by Mr and Mrs B I note that the errors were rectified relatively quickly and both Wescot and AG have apologised. AG has paid £100 and Wescot has after our intervention also offered £100. I consider this to be fair and reasonable compensation for the trouble and upset caused to Mr and Mrs B. To that end I consider it right to uphold this complaint.

my final decision

My final decision is that I uphold this complaint and I direct Wescot Credit Services Limited to pay Mr and Mrs B £100 compensation. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs B to accept or reject my decision before 8 September 2016.

Ivor Graham
ombudsman