

complaint

Miss P complains, in summary, that PRA Group (UK) Limited unfairly obtained a county court judgement against her.

background

Miss P had a credit card debt with a credit card provider, ("C"). C sold the debt to PRA in 2008. PRA appointed debt collection agents, ("D"), to collect the debt from Miss P and she agreed a repayment arrangement with D. Miss P paid D monthly payments of £30 from June 2010. But, PRA ceased using D and wrote to Miss P in February 2016 to tell her to stop paying D and contact PRA. D then stopped Miss P's direct debit instruction, so her last payment was made in March 2016. But, Miss P had moved home prior to 2016 and PRA was unaware of this. So, PRA's letters were sent to Miss P's former address. As PRA received no response to its letters and her monthly repayments weren't being made, it issued county court proceedings against Miss P and obtained judgement ("CCJ") against her. Miss P noticed the CCJ on her credit file and arranged for the debt to be repaid, and applied for the CCJ to be set aside. Miss P said that she had told D her new address and felt that PRA should have done more to trace her.

The adjudicator didn't recommend that the complaint should be upheld. She had looked at D's records and couldn't find any indication that Miss P had told them about her change in address. So when the account was passed back to PRA, they didn't have her new address and still sent correspondence to the old one. She didn't think PRA had done anything wrong here because it had no reason to suspect that Miss P's former address was incorrect. She also thought that given the size of the debt, she would've expected Miss P to have contacted D and PRA if she hadn't received any letters/statements in that period of time. She also thought that there was a responsibility on the customer to be pro-active in letting businesses know about any changes and ensuring payments were met.

Miss P disagreed and responded to say that she had told D about her address change between March and August 2015 although she had no phone records to evidence her call to D. She also said that she hadn't received any statements or correspondence from D other than a letter to tell her to pay it until her account was settled.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I believe I'll disappoint Miss P further as I've come to the same overall conclusions as the adjudicator for broadly the same reasons.

I note that Miss P said she'd notified D about her change of address, but has no evidence of her phone call. I've checked D's records and there's no note there of any call received from Miss P about a change of address in 2015.

I also agree with the adjudicator that I would have reasonably expected Miss P to have told PRA about the address change. Whilst I haven't seen the terms of Miss P's account with C, I would expect there to have been a term requiring Miss P to tell C about a change of address. And as C's account was sold to PRA, the requirement to notify C of a change of address would also have applied to PRA. So, I can't hold PRA responsible for sending

correspondence and issuing proceedings to Miss P's former address if it hadn't been told by her of her move.

I note that PRA ceased to use D as its debt collection agents in March 2016. I understand that Miss P's payments stopped because of this. I can also see that PRA did send a letter to Miss P (at her previous address) to tell her about the change in February 2016. This is shown in PRA's contact notes. I can't say that PRA acted inappropriately in taking these steps.

I also note that D withdrew its direct debit instruction in March 2016, so Miss P's direct debit payments ceased to be paid. But, I would have reasonably expected Miss P to have noticed from her bank statements that these payments had stopped and to have contacted D or PRA about this.

The circumstances of this complaint are unfortunate and I sympathise with the position Miss P finds herself in. I also appreciate Miss P will be very disappointed with the decision I have come to here, but for the reasons explained, I don't think I can uphold this complaint. Miss P may wish to continue her dispute with PRA, but if she does, she will need to do so through other means as this decision represents the last stage in our process.

If Miss P hasn't done so already, she might want to place an explanatory note on her credit file with the credit reference agencies to explain the circumstances surrounding the CCJ.

my final decision

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 26 July 2017.

Roslyn Rawson
ombudsman