

complaint

Mr and Mrs N complain that Robinson Way Limited, ("RWL"), is unfairly pursuing them for a debt that they believe was paid off in 2005.

background

Mr and Mrs N had a current account with a bank ("B"). They believed that B's account balance had been paid in full on 31 August 2005, and that B had closed the account. B sold the account to a debt purchaser ("P"), and in October 2015, RWL was instructed to collect the account balance.

our adjudicator's view

The adjudicator didn't recommend that the complaint should be upheld. He noted that Mrs N had been seriously ill since October 2012 and that this whole situation had caused her more stress. He could also see that RWL had agreed to cease collection activity and court proceedings, and it told Mr and Mrs N that they wouldn't be pursued by it any further. Following this, Mr and Mrs N said that they were contacted by RWL about the debt and a field agent visited their property. The adjudicator noted that RWL had said that it didn't have field agents working in the area where Mr and Mrs N lived, nor any with the name that Mr and Mrs N had provided. The adjudicator thought that RWL had acted in good faith on the information it was provided with. Based on everything he'd seen, he was satisfied RWL had taken the correct course of action, and noted it had agreed to cease collection and not contact Mr and Mrs N again. He didn't think it was reasonable to require RWL to pay Mr and Mrs N compensation in these circumstances.

Mr and Mrs N disagreed and responded to say that they'd been in touch with B. B had said it was impossible to pass entries to an account after it had been closed. B also said that if further debits were presented to an account after it had been closed, those debits would have either been: returned unpaid, debited to an internal account for investigation, or automatically rejected. Mr and Mrs N also said that B had explained that once an account was closed, the contract between the customer and the bank becomes "obsolete" and B wouldn't have authority to debit Mr and Mrs N's account. Mr and Mrs N also said that evidence of the debt should have been provided to them and this service.

The adjudicator responded to say that he could only consider the debt collection activities against RWL, and not Mr and Mrs N's dispute about the original debt. He'd suggested that Mr and Mrs N discuss this with P. But he thought that the action taken by RWL in relation to the debt collecting aspect of Mr and Mrs N's complaint was fair.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mr and Mrs N and to RWL on 24 May 2017. I summarise my findings:

I noted that RWL had told Mr and Mrs N that the debt was in respect of a current account they'd held with B. And I could see that Mr and Mrs N had told RWL that the current account with B had been paid off and closed in 2005. But, I could also see from RWL's case summary and contact notes that the debt was also in respect of a managed loan account

with B. I asked RWL for statements to show more details about this. Statements were provided for a loan account *****380 which was just in Mrs N's name. The statements didn't show an account balance but did show transactions from September 2005 until July 2011. I also noted that RWL had said that it didn't find out until October 2016 that the debt was in fact in respect of two accounts, and not just the current account which Mr and Mrs N believed was closed.

I was concerned that RWL hadn't explained the full background about the debt to Mr and Mrs N and I could see why they might have been caused confusion and stress as they believed that the current account had already been settled, and weren't aware that the debt was also in respect of a loan. As RWL knew that the debt was for a current account and a managed loan account, I thought that RWL could have explained this to Mr and Mrs N when it became aware of this in October 2016 to prevent further confusion and stress.

I could also see that Mr and Mrs N were concerned to have received phone calls and a personal visit from RWL's agent seeking repayment of the debt. I'd seen RWL's contact notes and there was no evidence of a personal visit there. RWL had also said that it didn't have agents in Mr and Mrs N's locality. So, I didn't think that it had done anything wrong here.

I'd also noted that despite being told that the court proceedings had been discontinued in September 2016, that Mr and Mrs N were then told by the court in November 2016 that the case would be fast tracked. I understood that this was due to a paperwork error, but I could see that this would have also caused more unnecessary confusion to Mr and Mrs N.

I noted that the debt had now been written off due to Mr and Mrs N's health issues and the stress being caused to them. I thought this was reasonable. But, I also thought for the reasons shown above that it would be reasonable for RWL to pay Mr and Mrs N £100 compensation for the confusion and stress caused.

Subject to any further representations by Mr and Mrs N, my provisional decision was that I was minded to uphold this complaint in part. I intended to order Robinson Way Limited to pay Mr and Mrs N £100 compensation.

RWL hasn't responded to my provisional decision.

Mr and Mrs N responded to say that they were unhappy that financial organisations can cause such distress. They said that RWL hadn't explained what the debt was for and they had a current account statement showing a nil balance. They asked for more time to deal with their response because of Mrs N's health issues. And whilst they were given a further five weeks to respond, no further representations have been made. But Mr N said at the end of July 2017 that he fully appreciated that the matter would now come back to me.

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 appreciate that Mr and Mrs N weren't told that the debt was in respect of a loan account, and accept that they were distressed by RWL's actions. I took this into account when considering my compensation award. And, as Mr and Mrs N are still confused as to what the

debt was for, I have asked the adjudicator to send them the loan account statements we've received. If they have any queries about these, they may wish to raise these with B.

But, as I've not received any fresh information or evidence in response to my provisional decision, I find no basis to depart from my earlier conclusions.

my final decision

My decision is that I uphold this decision in part. In full and final settlement of this decision, I order Robinson Way Limited to pay Mr and Mrs N £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs N to accept or reject my decision before 8 September 2017.

Roslyn Rawson
ombudsman