

complaint

Mr H has complained that PRA Group (UK) Limited ("PRA") acted unfairly in their pursuit of a debt it says he owes it.

background

Mr H had considerable debts and found himself in financial difficulty when he lost his job. He says he was struggling to keep up with payments so offered his creditors reduced settlement offers. He says one of his creditors didn't accept the offer he made to settle three credit card accounts and defaulted these accounts. Mr H says PRA claims it bought these three debts from the original creditor and is pursuing him for them.

Mr H wrote to PRA to let it know about extremely distressing personal circumstances which he said had worsened his financial difficulties. He made further reduced settlement offers which PRA didn't accept.

Mr H complained to PRA saying its response to what he'd disclosed lacked empathy. He also complained about PRA not accepting his offers. He asked PRA to send him the original credit agreements for the debts it claimed it had bought as well as a letter of assignment. He also wanted to know how much PRA had bought the debts for.

PRA investigated Mr H's complaint and agreed that its response lacked empathy. It apologised. PRA also agreed to put Mr H's account on hold whilst he waited for the original credit agreements.

Mr H complained to us as he was increasingly unhappy with PRA feeling that it was morally wrong for PRA to be profiting from his debt, especially during such a difficult time for him.

Our investigator said that PRA hadn't acted appropriately when responding to Mr H, but wasn't required to accept reduced settlement offers or write off the debt. Our investigator said the apology from PRA was sufficient to resolve the complaint. Mr H didn't agree and asked for a decision from an ombudsman.

my provisional decision

In my provisional decision, I said:

"Mr H has raised several issues to do with PRA's handling of his account. However, I think his complaint falls into two main categories, which I'll deal with separately. These are:

- whether PRA has acted positively and sympathetically; and
- PRA's response to Mr H's request for documents.

has PRA acted positively and sympathetically?

We would expect businesses to treat consumers positively and sympathetically if they're in financial difficulties. This doesn't mean we would expect the business to write off debts or accept significantly reduced settlement offers as a matter of course. Sometimes allowing a payment holiday, allowing a reasonable time to repay a debt, accepting token payments for a period of time to allow a consumer to meet essential living costs etc is enough.

In this case, PRA has been accepting token payments of £1 per month on each of Mr H's three debts for a number of years. It also put the account on hold while it was waiting for the original credit agreements, and didn't actively pursue the debt during this time. In short, PRA acted positively and sympathetically.

PRA accepts that it didn't acknowledge Mr H's distressing personal circumstances in its response to his reduced settlement offer. I agree PRA's response lacked empathy. However, PRA has apologised for this which was the right thing to do.

PRA's response to Mr H's request for documents

PRA accepts that it didn't send the correct documentation to Mr H. This is because it was unable to obtain the original credit agreements. However, this doesn't mean that the debt doesn't exist or that PRA should write off the debt as Mr H suggests. While PRA say the debt is unenforceable, this means it is not enforceable in the courts. It doesn't mean that PRA can't pursue the debt, and in this case I don't think it's unfair of PRA to do so.

It would have been frustrating for Mr H to receive documents that didn't meet his initial request. However, Mr H's account was on hold whilst PRA tried to obtain these documents. During this time and thereafter, PRA has accepted token payments from Mr H. So, I don't think not receiving the documents he'd originally asked for caused Mr H any material distress and inconvenience. Nor would I have awarded £225 in compensation.

Overall, I think PRA has treated Mr H positively and sympathetically. While some of PRA's responses to Mr H could have been better, I think it has generally been considerate of his financial and personal circumstances. I know Mr H will be disappointed with my decision, especially considering the difficult circumstances he's been going through. But I don't think it would be fair to ask PRA to do anything more."

the response to my provisional decision

PRA didn't respond to my provisional decision.

Mr H responded and said he didn't agree with my provisional decision. Mr H felt the language in my provisional decision didn't fully reflect the difficulty Mr H and his family are going through. As such, he felt I didn't fully understand his personal circumstances. Mr H also said that PRA didn't listen to and react to his circumstances with regards to the payment of £1 per month, as this was imposed by him. Mr H also reiterated several points that I have addressed in my provisional decision.

my findings

I've re-considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done this, my decision hasn't changed.

I have reviewed the full file again and considered Mr H's comments. While the language I've used in my decision may not be the same as the language Mr H's uses in his complaint, I have fully considered the impact the circumstances had on Mr H. And I don't think it would be appropriate for me to go into detail in this case.

I accept that PRA may not have offered for Mr H to pay £1 per month on his debt, but I still think that it acted positively and sympathetically towards Mr H by accepting this as an ongoing arrangement. I haven't seen anything from Mr H or PRA that would change my decision in this case. Overall, I don't think it would be fair for me to ask PRA to do anything more.

my final decisions

For the reasons given above, my final decision is that I'm not going to ask PRA Group (UK) Limited to do more than it already has.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 14 September 2019.

Jamie Sutherland
ombudsman