

## **complaint**

Ms G has complained that Motormile Finance UK Limited, trading as MMF, ignored her requests about contacting her by letter only over debts they had bought from third parties. They continued to phone her at work and visited her at home.

Ms G is represented in her complaint by her sister.

## **background**

Ms G was contacted by MMF in 2013 about debts they had taken over from her original lenders. To ensure these debts were repaid, they contacted Ms G, including at her work by telephone. Ms G told MMF that she wanted them to only contact her in writing. MMF continued to contact Ms G by phone.

As a result of our adjudicator's investigation into Ms G's complaint, MMF were asked to stop pursuing Ms G for the debts and pay her £100 for the distress caused by pursuing the debts.

MMF strongly objected to this and provided us with copies of two agreements. They believed Ms G had taken out the loans online and that she continued to owe the money. They asked an ombudsman to review the case.

I completed a provisional decision in November 2014. I believed that Ms G had taken out at least two of the loans, as I had seen copies of those agreements. I felt that she did owe MMF the funds, totalling £1544.04. However I was concerned by the actions MMF took in trying to recoup the debt and considered it fair that they pay her redress in the amount of £1,000. I also considered MMF should write off the third loan and enter into an appropriate repayment plan with Ms G for the repayment of any outstanding money.

I received responses from both Ms G's sister and MMF. MMF provided evidence of the third loan which Ms G took out in November 2011 for £100. They also confirmed that they had never received any correspondence from Ms G's sister. I was able to provide them with two copies of letters which I know she sent to them. MMF strenuously denied that their actions in trying to get Ms G to repay the debt were unfair in any way and that they acted upon her instructions to remove contact details when asked. However as they were now aware of Ms G's financial difficulties, they had decided to write off all her outstanding debts as a gesture of goodwill.

Ms G's financial circumstances remain difficult and she felt that having £1,000 in cash would enable her to pay off other priority commitments. She also felt that one of her original lenders was now offering further redress on one of her loans.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Where there is a dispute about what happened, I have based my decision on the balance of probabilities – in other words, on what I consider is most likely to have happened in the light of the evidence.

Ms G's original complaint was that she had felt harassed by MMF and that they breached data protection legislation by retaining and using certain information. In my provisional decision I also covered whether I thought that Ms G's debts were valid.

I have now seen three of the four loan agreements which MMF bought from the original lenders. MMF confirmed that the money outstanding totalled more than £1,800. Whilst my provisional decision talked about writing off the third loan for which there was no evidence, now that I have seen the agreement, I can confirm that I believe Ms G entered into these three loans. MMF accepts that there is no chance of locating a copy of the fourth loan agreement.

As Ms G's sister has said, Ms G never denied taking out these loans but did request copies of the agreements from MMF.

In my provisional decision I also considered MMF's actions in pursuing the debts. I noted that MMF's system notes of their contact with Ms G were cursory at best and any detail is about the two home visits in 2013. On the first, Ms G was not at home and the agent spoke to a neighbour. I rather suspect from the tone of the notes that it would have been clear to any neighbour why the agent was looking for Ms G. MMF will be aware that this is not appropriate behaviour. They have told me that as they had no real contact with Ms G, they did not feel their system notes could be anything but cursory.

On the second visit, Ms G did answer the door. The agent informed her that they were seeking repayment for a loan with a named lender. None of the loans that MMF told us about were originally taken out with that lender, so I don't doubt that Ms G said she had never taken out any money with that company. Ms G said the agent behaved in a "*rude and aggressive*" manner. I accept MMF's argument that one of the loans was taken out with this lender, although this is not the name that Ms G will have known them by. Many payday loans companies use pseudonyms which unfortunately only leads to confuse customers.

MMF told us that they removed Ms G's work telephone number from her records when requested to do so in October 2013. Ms G's sister has provided us with evidence that MMF continued to use that number to make calls to Ms G. She also told us that they spoke to her sister's manager and divulged personal information about why they wished to contact her. Whilst I appreciate MMF disputes this, on balance I believe this to be the case.

I have no reason to doubt the information Ms G's and her sister provided to us. I find that their submissions are consistent, plausible and persuasive. On the balance of probabilities, therefore, I am satisfied that MMF acted unfairly in the way they pursued her for the debts.

I am aware that Ms G has gone through a very difficult time over the last couple of years and is undergoing counselling. And it's worth saying that I believe that her treatment by MMF can only have exacerbated things.

I have considered whether MMF should continue to provide Ms G some financial redress, in light of their confirmation they have written off all her accounts with them. It's impossible not to sympathise with Ms G, however I do need to be fair and reasonable to both parties when I consider a complaint. In this case, I consider MMF's offer to write off all Ms G's debts to be fair. Although this does not offer Ms G any cash to help her with her other debts, I am sure it will still make a considerable difference now these debts are written off.

I know Ms G's sister wanted written proof of her debts being written off and I hope she feels that she can accept this has been provided to me and I am satisfied that this has been done. I am also sure that MMF will amend Ms G's credit record to reflect the status of her debts. They confirmed to me that they would do this as soon as this case was closed.

I have also considered the issue about one of these debts belonging to a lender who has written to Ms G about additional redress being provided by them. I know that MMF has not heard from this lender yet but there are two issues where this lender is providing additional redress. One is to reflect a system issue and the other is redress agreed with the Financial Conduct Authority. In my experience, I believe redress in the latter will be about £50. And on the system issue again I believe this will be small and in most cases a lot less than £50. Overall I am satisfied that this redress will have no material impact on Ms G's debt, so I do not feel that I need to re-consider what MMF has offered.

### **my final decision**

For the reasons set out above, my final decision is that I uphold Ms G's complaint against Motormile Finance UK Limited, trading as MMF and consider their offer of redress to be fair and reasonable.

Under the rules of the Financial Ombudsman Service, I am required to ask Ms G to accept or reject my decision before 30 January 2015.

Sandra Quinn  
**ombudsman**