

complaint

Miss B complains that she has been harassed by Reliable Collections Limited in relation to a debt that she owes. She is being helped with her complaint by a debt adviser.

background

Miss B owed a debt that was being collected by Reliable Collections. She made payments to it, the last of which was in February 2013, but lost her job and consulted a debt adviser. She was advised to file for bankruptcy and complained that Reliable Collections had harassed her but did not receive a response so complained to this service. Miss B was declared bankrupt in January 2014.

The adjudicator recommended that this complaint should be upheld. He concluded that Reliable Collections had not taken action that was proportionate to Miss B's situation or treated her with forbearance. He recommended that it should remove the interest and charges applied to her account since late April 2013 and that it should remove a further £50 from the account balance in recognition of the distress and inconvenience that Miss B had been caused.

Reliable Collections has accepted the adjudicator's recommendations and has agreed to remove charges of £96, interest of £339.28 and the further £50 from Miss B's account. However, it says that the £50 should not be paid directly to Miss B but should be used to reduce her outstanding balance.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

On the basis of the available evidence, I consider it to be more likely than not that Miss B and her debt adviser did provide enough information to Reliable Collections for it to know about her financial situation and her intention to file for bankruptcy. I therefore consider that it was not fair or reasonable, or consistent with the Office of Fair Trading's guidance on debt collection, for it to write to Miss B in August 2013 to say that her conduct in relation to the debt was unacceptable and would not be tolerated, and that it was considering commencing court proceedings against her.

Reliable Collections has agreed to refund interest and charges totalling £435.28 to Miss B's account and to remove a further £50 from her account to compensate her for the distress and inconvenience that she has been caused.

However, I consider that Reliable Collections' August 2013 letter caused distress and inconvenience directly to Miss B. Miss B has now been declared bankrupt and I consider that it would be fair and reasonable for Reliable Collections to pay the £50 compensation for that distress and inconvenience to Miss B directly (rather than removing it from her account).

my final decision

For these reasons, my decision is that I uphold Miss B's complaint. In full and final settlement of it, I order Reliable Collections Limited to:

1. Remove interest and charges totalling £435.28 from Miss B's account.
2. Pay £50 to Miss B to compensate her for the distress and inconvenience that she has been caused.

Jarrod Hastings
ombudsman