

complaint

Mr C complains that Robinson Way Limited pursued him for a debt that wasn't his.

background

In January 2015 the previous owner of the debt allocated it to Mr C's address in error. Mr C called later the same month to deny the debt was his, but declined to go through security. Regular calls were made to Mr C until the debt was transferred to Robinson Way in November 2015. In December 2015, Mr C requested details of the debt and these were sent to him in January 2016. Mr C explained the debt was not on his name and sent Robinson Way his passport to prove it had the wrong customer. Robinson Way apologised and closed the account in March 2016.

Our adjudicator recommended Robinson Way should pay Mr C £250 for the prolonged period of stress the issue had caused him.

Mr C said he would accept the offer but wanted confirmation that his credit file hadn't been affected, as he had recently had a mortgage application turned down.

Robinson Way confirmed Mr C's credit file was unaffected and, on that basis, found the recommended compensation too high. It initially offered £100, plus £5 for calls, but then increased its offer to £155 in total. Mr C says he wants the £250 originally recommended.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr C says his mortgage application was declined, and he lost a property, which left him out of pocket by up to £4,000. However, Robinson Way confirmed Mr C's credit file was unaffected by the debt, so I find it unlikely it had any bearing on the mortgage decision. Even if it was related, I can only compensate Mr C for directly attributable financial losses, and the loss has to be reasonably foreseeable due to the error. I don't find that was the case here.

However, Mr C was wrongly chased for this debt for over a year which caused unnecessary stress. Indeed, it was only because he requested the credit agreement that Mr C was able to prove the debt wasn't his. I consider Robinson Way could have done more to assist Mr C in the meantime. So, in all the circumstances, I find Robinson Way's offer of £155 to be too low. Much like the adjudicator, I find £250 compensation to be fair and reasonable.

my final decision

My decision is that I uphold this complaint. Robinson Way Limited should pay Mr C £250 for the distress its actions caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 8 August 2016.

Amanda Williams
ombudsman