

## **complaint**

Mr A complains that Moorcroft Debt Recovery Limited should not have attempted to collect an outstanding debt from him when he was in dispute with the credit provider. Mr A also says that Moorcroft should not have carried out a search on his credit file, as this has affected his ability to obtain a mortgage.

## **background**

In late January 2012, Moorcroft was instructed by a credit provider to collect a debt from Mr A. Moorcroft started a search of Mr A's credit file. It also made contact with him. Mr A told Moorcroft that he disputed part of the debt as it related to payment protection insurance (PPI) charges and card protection charges. Moorcroft contacted the credit provider to discuss what Mr A had said. It told Moorcroft that it had given Mr A the phone numbers to escalate his complaints in May 2011, but the credit provider had not heard from him. In light of this, Moorcroft sent collection letters to Mr A in March 2012.

The adjudicator did not recommend that the complaint should be upheld. She was not persuaded that Mr A had an active dispute with the credit provider when Moorcroft was instructed. The adjudicator did not consider that Moorcroft had acted incorrectly when it carried out a search on Mr A's credit file, as this was started before it was aware that Mr A was in dispute with the loan provider.

The adjudicator did not consider that Moorcroft had to have a full history of the debt. She noted that Principle 3 of the Data Protection Act says that Moorcroft's client only has to supply them with information relevant to their debt collecting role.

Mr A is not happy to accept the adjudicator's recommendation. He says that Moorcroft started the credit search after it was aware of his dispute with the credit provider, and it should not have done a search without his consent. Mr A adds that the credit provider did not have the right to give information about him to Moorcroft under the terms and conditions of the credit card.

## **my findings**

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

### *Credit search*

Moorcroft received instructions from a credit provider on 28 January 2012 to recover an outstanding debt from Mr A. Moorcroft says that it requested a credit search the same day. Mr A says that the report from the credit agency shows that the search was requested on 31 January. This was a day after Mr A had told Moorcroft that he disputed the debt. I consider that the report date of 31 January 2012 is the date on which Moorcroft requested the credit search.

Mr A says that the credit search carried out by Moorcroft has affected his ability to obtain a mortgage. He has not provided any evidence of this. In the circumstances, I am unable to find that this was the reason Mr A was denied a mortgage. I consider that it is more likely that other information already recorded on his credit file was the reason his mortgage application was rejected.

In summary, although I am persuaded that Moorcroft requested a credit search when it was aware that the debt was disputed, I do not consider that this has had any adverse effect on Mr A. I do not find that Moorcroft's credit search caused him any financial loss, and so I do not consider that it should pay Mr A compensation for distress or inconvenience.

Mr A says that Moorcroft did not have his consent to allow it to carry out a credit search. It does not however need his agreement. The Information Commissioner's Office allows searches that are for legitimate business reasons, such as debt collection.

### *Disputed debt*

Mr A is unhappy that Moorcroft did not know that the debt was disputed when it was passed to them. Mr A had not however raised a formal complaint with the credit provider at this point, although he had enquired as to how he should do so. As Mr A had not made a complaint regarding the loan, I do not consider that there was a dispute of which Moorcroft should have been aware of at this point.

When Mr A contacted Moorcroft to tell it that he disputed the loan on 30 January, although it requested a credit search, it put its other usual collection processes on hold while it discussed the situation with the credit provider. I consider that these actions were reasonable, and I do not find that Moorcroft acted in breach of the guidance published by the Office of Fair Trading on Debt Collection.

I note that Mr A is unhappy that his credit provider passed on information to Moorcroft. This complaint does not however relate to an action by Moorcroft. If Mr A wishes to continue with this complaint, he will need to raise a new complaint against the credit provider if he has not already done so.

### **my final decision**

My decision is that I do not uphold this complaint.

Rosemary Lloyd  
**ombudsman**