

complaint

Mrs B complains that Arrow Global Limited is pursuing her for the wrong amount of money. She says the balance includes Payment Protection Insurance ("PPI") premiums. She says that this is unfair because the PPI policy was missold to her and so any premiums added to the balance of the account should have been removed.

background

Mrs B had a credit card account with a third party financial business that I shall refer to as "A". A's records show it missold her a PPI Policy in 1988 in relation to this account. Its records show it cancelled the policy in 1992 when the account fell into arrears. Its records show that it paid Mrs B £14,156.17 in compensation for the missale of the policy in 2014. This sum included £2,375.17 for the PPI premiums she paid during the life of the policy.

A's records show that it sold the credit card account debt to a third party company that I shall call "T" in 2007. At this point it said the debt was £7,537.20.

T then sold the debt to Arrow Global Limited in 2011 at which point, Arrow Global Limited said the debt was £7,496.49.

Mrs B says that between 2007 and 2011 - that is during the time T owned the debt - PPI premiums were added to her account.

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.

Arrow Global Limited is not pursuing Mrs B for the wrong amount

We have asked A about the balance of the debt when it sold it to T in 2007. In particular we have asked it if the balance £7,537.20 included the PPI premiums Mrs B paid between 1988 - when it sold the policy to Mrs B - and 1992 when it cancelled the policy. It says yes it does. However, it explains that these premiums were subsequently refunded to Mrs B with interest when it settled her claim for the missale of the PPI policy in 2014. So it considers she has already had that money back and it was entirely up to her if she chose to apply the refund to reducing the balance of the debt or not.

I consider this is correct. Because Mrs B would be recovering for the same loss twice if she both got a refund of the premiums and then balance of the debt was also reduced by the amount of the premiums.

I recognise that Mrs B is complaining about what happened to the debt between 2007 and 2011 when T owned the debt. But I think it is important to establish what the correct balance was before it was sold to T.

While T owned the debt it appears from the records I have seen that Mrs B was making payments under a repayment plan. I would have expected that these payments should have reduced the debt. When I look at the amount of payments received under the plan this fits more or less with the balance of the account when T sold it to Arrow Global Limited.

Further, given the amount that it seems Mrs B was paying under the repayment plan. If T had added PPI repayments the balance of the debt it would have gone up. But instead it went down. On this basis there is no indication that during the time T owned the debt T was adding additional PPI repayments to the debt as Mrs B suggests. Further Arrow Global Limited's records show that since it has owned the debt it has not added any PPI repayments to the debt.

In the circumstances I am not satisfied that Arrow Global Limited is pursuing Mrs B for the wrong amount as she suggests.

Arrow Global Limited should have provided better customer service

That said, Arrow Global Limited is responsible for ensuring that any debt it has purchased and seeks payment for is validly owed. It was correct to say that it was not responsible for the misale of the PPI policy. But I consider it could have explained more clearly to Mrs B that it had carried out appropriate checks when it brought the debt and it was satisfied because of these checks that it was pursuing her for the right amount. Had it done this Mrs B might not have experienced the distress and inconvenience she tells us about. On this basis it is appropriate for Arrow Global Limited to make a payment for distress and inconvenience to Mrs B. £150 is a fair sum in the circumstances.

my final decision

My final decision is that Arrow Global Limited should pay Mrs B £150 for distress and inconvenience.

Joyce Gordon
ombudsman