

complaint

Mr H is unhappy that Paragon Finance PLC has asked him for a bank statement to show his income and expenditure.

background

Mr H has an outstanding debt with Paragon, as in June 2015 it bought a credit card debt he had with another company. He was in financial difficulties and arranged to pay back £1 a month towards the debt.

In April 2016, Mr H contacted Paragon to say he was unable to maintain the £1 a month payment as he had no income. At this time he hadn't made a payment since January 2016. He provided it with a budget planner he'd completed with a debt charity ("the charity") in March 2016 and explained his in-laws were helping support him at this time. Paragon agreed for Mr H to stop making the payments, initially for three months, but this was later extended until December 2016.

In January 2017, Paragon asked Mr H to provide a bank statement to show his current financial situation. Mr H was unhappy with this as he said he was in a debt management plan with the charity and that the information he'd already provided should be enough to understand his situation. He says he offered them an updated budget planner for January 2017. Paragon said this information wouldn't be enough for it to assess his current situation and that it needed the bank statement to do this. So Mr H brought a complaint about this to our service.

Our investigator didn't think that Paragon had done anything wrong. Our investigator thought Paragon had acted reasonably when asking for an up-to-date record of Mr H's finances (in the form of a bank statement). Mr H was unhappy with this so the complaint's been passed to me for a final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I'm not upholding Mr H's complaint.

I appreciate Mr H has been through a difficult time and that he found it very stressful when Paragon wouldn't accept his updated budget planner. But the last payment Mr H made to Paragon was in January 2016, so it accepted the budget planner for a nearly year and I can't see that it contacted him about making any payments during this time. I think this shows Paragon has treated him fairly and been understanding to the situation Mr H is in.

Looking at Mr H's budget planner, his outgoings were the same in April and August 2016 (£1,088) and then increased by £12 in January 2017 to £1,100 a month. But his income has consistently been recorded as £0 and he says he's been relying on family support to live. I don't doubt Mr H is in financial difficulty. But at the same time I appreciate why Paragon is looking for something more to show what Mr H's incomings and outgoings truly look like – considering he's saying he's managed to live for nearly a year without any income at all. Mr H owes Paragon £1,834.69 and whilst it does have a duty of care towards him, it's also entitled to try and recover this debt. Considering his budget planner has effectively not changed for 12 months, I think it's reasonable Paragon is now looking for another way to

accurately assess Mr H's current financial situation – and his affordability for the debt he owes. So I don't think it's unreasonable for Paragon to have asked him to provide a bank statement.

I appreciate Mr H says the charity told him the budget planner would be sufficient for all his creditors. But, for the reasons explained above, I think it's fair that Paragon has asked him for something in addition to this document at this point in time. And I can also see his budget planner states that the charity is not administering any payments for him and provides advice to him on managing his own finances. So whilst Mr H has said he's in a debt management plan with the charity, his paperwork doesn't suggest this is the case. This is the reason Paragon is continuing to correspond with him directly and is asking him to directly review his financial situation with it.

Both parties need to work together to reach an agreement about the debt going forward. I would urge Mr H to provide the information asked for by Paragon so it can consider his situation fully.

my final decision

I don't uphold Mr H's complaint about Paragon Finance PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 30 June 2017.

Amy Osborne
ombudsman