

complaint

Mr B complains that he has not received the service he should have in regard to the collection of his debt from a fixed sum loan agreement he took out with Creation Consumer Finance Ltd in 2011.

background

Mr B entered into a fixed sum loan agreement with Creation in September 2011. He says that he settled this agreement in 2012 by making payments to two different collections companies. He says that Creation passed his debt on to collections companies without telling him and that more than one collections company was used at a time. He also says that correspondence was sent to addresses he had never lived at.

Mr B says that he was contacted about an outstanding balance on his account number of years after he had settled the amount due. He says that by not recording his debt as settled his credit file was adversely affected meaning he was not able to borrow money including obtaining a mortgage.

Creation says that Mr B's account was passed to a collections company in November 2012 and remained with that company until March 2013. It was then passed to another collections company in 2016. It upheld Mr B's complaint because it did not make contact with him for the three years between selling his debt. It said it would recall the debt from the collections company and this would be waived and Mr B's credit file would be updated to show the account as settled in March 2013.

Our investigator noted that Creation had initially offered to amend Mr B's credit file to show the debt as settled in November 2012 and requested that this be honoured. Creation agreed to this.

Our investigator did not find evidence that Mr B's debt had been passed to more than one collections company at a time. She also did not find evidence of correspondence going to incorrect addresses. She noted Mr B's comment that he paid off the debt but said she had not seen evidence of this and as Creation had not received evidence he had paid the debt there was no requirement for it to update his credit file at that time. Our investigator found Creations' resolution to this complaint reasonable.

Mr B did not accept our investigator's view. He said that he had provided evidence to show he had made payments and that he had requested copies of his bank statements. He said this issue had caused him stress and damaged his credit file.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Where the evidence is incomplete, inconsistent or contradictory, I have made my decision based on the balance of probabilities - that is what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Mr B says that he repaid the amount due under his fixed sum loan agreement in 2012 but was chased for this debt a number of years later. He says that by not recognising his payment his

credit file showed adverse data for a number of years which meant he was not able to obtain credit and was declined a mortgage.

Mr B is also upset about how his account has been managed in regard to the transfers to debt collection agents.

I can understand why Mr B is upset given he believes he made the payment due on his account in 2012. I have looked at the information Mr B has provided but I do not find this is sufficient evidence to say he settled his account. I can see that Mr B said he was going to obtain further evidence but this has not been provided. Creation has said that Mr B made his payments up to August 2012 (with a payment missed in July 2012) and then no further payments were made.

Conflicting information has been provided about the payments made but based on the evidence I have seen I do not find I have enough to say the debt was settled in 2012 and so I cannot say that Creation did anything wrong by pursuing the debt.

Mr B has complained about the process of his account being transferred to debt collection agents. While appreciate this may have been upsetting and could cause confusion, I cannot say that Creation did anything wrong by transferring the debt. Although Mr B has said that more than one collection agent was used at a time I do not have evidence of this.

Creation has also provided the address information it had for Mr B and this has been given to him. Creation had two addresses recorded. The first was the one on Mr B's agreement. I have nothing to suggest anything was sent to Mr B at any other addresses.

Creation has explained that due to a lack of contact for a number of years it has requested to take back Mr B's debt and it will waive this. It has also said that Mr B's credit file will be amended to show as settled from November 2012.

I understand that Mr B does not consider this a fair settlement as he has said he suffered stress due to the issues he has raised in this complaint and that his credit file was adversely affected for a number of years. However, as I have not seen evidence that the debt was settled in 2012 I do not find that Creation did anything wrong by continuing to record the account on Mr B's credit file.

Based on the information I have seen I think that Creation has provided a fair resolution to this complaint and so I do not require it to do anything further.

my final decision

My final decision is that Creation Consumer Finance Ltd is not required to do anything further in settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 21 December 2018.

Jane Archer
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