

## **complaint**

Mr C complains that Capquest Debt Recovery Limited continued to chase him for debt that didn't belong to him, even after he made them aware.

## **background**

Mr C started receiving letters from Capquest in May 2017. Capquest explained they were chasing an outstanding debt taken out in 2016 with a bank I will refer to as Bank A. Mr C didn't recognise this debt and in December 2017 he wrote to Capquest to explain that it wasn't his. Despite Mr C writing to them in December 2017 and again in July 2018, Capquest continued to write to him to request payment for the debt.

In December 2018 Mr C wrote to Capquest again to complain and explain the letters were causing him stress. Capquest responded to confirm they would stop contacting him. They said his details had been obtained from credit reference agencies as a result of a mis-trace. They also directed Mr C to contact the agencies to ensure any links to this debt were removed. Mr C was unhappy with the response as it had taken Capquest over a year to resolve the issue. He also said receiving the letters chasing payment had caused him stress and he had seen a doctor about it. He therefore raised a complaint with this service.

Our investigator considered all the issues and thought Capquest should have acted when Mr C pointed out they had the wrong person. She thought Capquest should pay Mr C £300 compensation to make up for the stress they had caused him.

Capquest didn't agree with our investigator as they said they had followed the correct procedure. They asked for a decision from an ombudsman.

## **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 first wrote to Capquest in December 2017 to let them know he wasn't the person who had taken out the debt. At this point Capquest should have acted to stop contacting Mr C, at least while they looked into his claim. Mr C correctly points out that the FCA Consumer Credit Source Book says *"A firm must suspend any steps it takes or its agent takes in the recovery of a debt from a customer where the customer disputes the debt on valid grounds or what may be valid grounds."* It goes on to say that valid grounds include *"the individual being pursued for the debt is not the true borrower or hirer under the agreement in question..."*. From looking at the letters sent to and from Mr C I can see that Capquest didn't suspend recovery activity when Mr C first contacted them. I therefore agree that Capquest didn't act correctly.

If Capquest had stopped recovery activity after his first letter, Mr C wouldn't have had to spend time writing further letters. He also wouldn't have experienced the stress caused by being repeatedly chased for debt that wasn't his. Capquest say when they received the first letter they requested the credit agreement from Bank A and didn't contact Mr C during this time. However I can see that Mr C contacted Capquest again in July 2018 to ask them to stop contacting him. Further, they didn't provide the credit agreement from Bank A until November 2018, nearly a year after when they say they requested it. And at the top of the letter, it still says how much is outstanding on the debt.

Finally Mr C had to go to some lengths to prove that the debt didn't belong to him. In his final letter he identified payments he made from his own bank to prove where he had been on certain days. This would have taken some time and caused Mr C significant stress, on top of that already experienced from being chased for the debt for over a year. Mr C has explained he is a pensioner who lives on a modest pension, so the letters asking for payment of a large debt would have caused particular stress. He also said he has had to see a doctor due to the impact of the stress caused. If Capquest had acted after Mr C's initial letter he would not have had to go to this trouble. He also wouldn't have received as many letters so the stress would have been significantly reduced. I therefore think that Capquest's lack of action did cause Mr C undue stress and they should pay compensation.

Taking all of this into account, I think the distress has been quite significant for Mr C. Capquest had the opportunity to correct the mis-trace when Mr C first raised the issue with them but they failed to do so. They then continued to contact him for another year causing further distress. I therefore agree with our investigator that £300 compensation is appropriate to address the trouble and upset caused.

### **my final decision**

For the reasons I have given, my final decision is that I uphold Mr C's complaint. I therefore require Capquest Debt Recovery Limited to pay £300 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 24 June 2019

Sophie Goodyear  
**ombudsman**