

## **complaint**

Mrs H's complaint is about a debt that PRA Group (UK) Limited is collecting from her. She says she can't afford to make any level of repayment, and thinks it should be written off in light of her circumstances.

## **background**

Mrs H asked PRA to write off the debt owed on two accounts earlier this year. PRA asked her to fill out a form so it could consider the request, but it sent the wrong one. Mrs H complained, and PRA sent her the right one.

Mrs H completed the relevant paperwork, providing details of her monthly income and expenditure and a form completed by her health professional. Amongst other things, these forms showed that Mrs H's outgoings were more than her income – so she didn't have any money to put toward repaying PRA.

PRA considered Mrs H's request but declined it. Initially it said this was due to the funds that Mrs H had available at the end of each month, and which could be used to make repayments towards the debt. When Mrs H replied to advise that she didn't have any surplus funds, PRA reconsidered the request. But it still wasn't willing to write off the debt, as it thought Mrs H's circumstances may improve in the future. Mrs H emailed PRA querying how this had been determined, but didn't receive a reply – so she raised another complaint.

PRA acknowledged that it had made some errors in the way it had handled Mrs H's requests, incorrectly saying that Mrs H had some surplus funds when she didn't and failing to reply to her email query. It offered £50 compensation, which it deducted from the outstanding debt.

PRA still didn't agree to writing the debt off – but it did agree to put the accounts on hold for 12 months, during which time it wouldn't contact Mrs H. It said it would then review the position again at the end of that period. Mrs H remained unhappy, and referred the matter to us.

Our investigator didn't think PRA needed to write off the outstanding debts, and thought that it had taken reasonable steps to help Mrs H by suspending the account for 12 months. But she didn't think the compensation it had offered for its errors was enough. She thought a further £200 would be a fairer reflection of the trouble and upset PRA had caused Mrs H.

While PRA agreed to our investigator's recommendation, Mrs H didn't. She didn't think the £200 was a fair reflection of the anxiety and stress this matter had caused her, which had continued to affect her health. And she still thought that PRA should write off the debt, as her circumstances would remain the same. So her complaint was passed to me for review.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

*the outstanding debt and requests to write it off.*

The main part of Mrs H's complaint concerns the outstanding debt and PRA's refusal to write it off. So I've considered how PRA responded to Mrs H's request, and how it's handled the situation more widely. But having done so, like our investigator I don't think I can fairly require PRA to do anything further.

To assess what assistance it may be able to offer Mrs H, PRA obtained details of her personal and financial circumstances. And as Mrs H says, this demonstrated that her regular monthly commitments exceeded her income – so at present, she doesn't have any spare money to make payments to PRA.

PRA has accepted that. So it's put a hold on the accounts for 12 months – meaning Mrs H won't be required to make any payments and won't have to contact (or be contacted by) PRA for that period of time. It'll only contact Mrs H at the end of that period, to reassess the situation as it is at that time. I think that's a reasonable step to take, balancing the interests of both parties.

I know Mrs H doesn't think this is fair. But I wouldn't expect PRA to write all or any of the debt off on the basis that Mrs H can't currently afford to repay it. And as it says, Mrs H's circumstances may well change in the future such that she can resume payments – in which case it would be fair for PRA to ask her to do so.

Mrs H says her circumstances won't change. But just as PRA can't say with any certainty that they will, I don't think she can say for sure that they won't. So I think it's fair for PRA to retain the right to review the situation in the future.

So looking at everything, I don't think PRA has unfairly declined Mrs H's requests to write off the outstanding debt on the accounts.

*PRA's errors in responding to Mrs H.*

As PRA has accepted, there were some shortcomings in the way it handled Mrs H's requests and enquiries. PRA is aware that Mrs H's health is affected by these matters and that it should therefore keep correspondence to a minimum. In providing her the wrong form to complete at the outset, it caused delays in the process and required Mrs H to contact it – ultimately by way of complaint – to get things moving.

PRA's initial response to Mrs H's request suggested it hadn't reviewed the correct form in making its decision, as it said Mrs H had some disposable income that could be used to repay the debt when her form clearly showed that wasn't the case. And again this required further contact and correspondence to put things right.

PRA also failed to respond to Mrs H's query in reply to PRA's decision to decline her write-off request.

Mrs H has explained that this has only exacerbated her anxiety over this issue. And I can see how, with each of these issues understandably giving her further cause for concern and putting her to avoidable inconvenience. So it's right that she's compensated for this. To this end, I agree that a further £200 – on top of the £50 PRA has already deducted from the debt – represents a fair and reasonable way to put things right.

This further amount should be paid to Mrs H directly, and not used to reduce the debt – unless she requests otherwise.

**my final decision**

For the reasons set out above, I uphold Mrs H's complaint in part and require PRA Group (UK) Limited to pay her £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 8 December 2017.

Ben Jennings  
**ombudsman**