

complaint

Mr L complains that Hoist Finance UK Limited wrongly pursued him for a debt. He says the debt wasn't his but he received threatening letters and poor service while trying to deal with this.

background

Mr L says that he was pursued for a debt that wasn't his. He says he was chased for the debt for over ten years and that during this time he received threatening calls from debt collectors at all times of the day and night and at weekends. He says that he made contact with the debt collectors but they were rude and just told him he had to pay.

Mr L says that because of the stress and time spent dealing with this issue he missed payments on another account which has now resulted in a charge on his house and adverse information on this credit file.

Our investigator upheld this complaint. She thought that Mr L had been incorrectly pursued for the debt and should be put back in the position he would have been had this not happened. She also recommended that Hoist pay Mr L £600 compensation for the trouble and upset he had been caused. Based on the information provided, Hoist said that it would remove the liability for the outstanding debt from Mr L but only agreed to pay £200 compensation. It said it took over the debt in 2013 and since then it hadn't had much contact with Mr L (partly due to not having a correct telephone number).

Our investigator reconsidered her recommendation of compensation based on the contact Hoist had with Mr L and recommended that he be paid £350.

Mr L didn't accept our investigator's view. He noted that his contact details hadn't changed and his home address and home telephone number had always been the same. He said that this issue had caused him a lot of inconvenience gathering the evidence he needed and that his credit record had been adversely affected for over 10 years. He said he and his family had been called liars and threatened with bailiffs as well as receiving other threatening letters and phone calls. He said the issue had caused him stress and that he hadn't received an apology. He didn't accept the compensation amount was enough given how long the issue had been ongoing.

Hoist said that its offer of £200 was fair. It said that it had acted reasonably by suspending recovery action while the dispute was brought to its attention and that when the evidence was provided by this service, it acted in a timely way to remove the liability. It said that it was only responsible for the impact its actions had on Mr L and it hadn't seen any material evidence or medical documentation to suggest its letters had a material impact on Mr L. It said its letters weren't threatening.

my findings

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

There are two parts to this complaint. The first relates to the debt that Mr L was being pursued for. This part of the complaint has been resolved as Hoist has accepted that Mr L is not liable for the debt.

The second part of this complaint relates to the trouble and upset that Mr L has experienced while being pursued for a debt that wasn't his.

I understand that this issue has been ongoing for more than 10 years. However as this complaint is against Hoist, I can only hold it responsible for the actions it has taken while it has been pursuing the debt. Hoist has explained that it took over the debt in 2013. Since then it has sent letters to Mr L. Based on the information provided it appears that Hoist sent three letters in 2015 explaining that it had taken over the debt and asking for payment. This will have been upsetting for Mr L as this wasn't his debt.

Hoist has said that call attempts were made at this time but it had a wrong number. I note Mr L's comments about his number not having changed but given the calls were unsuccessful I can't say that these added to his stress regarding this issue.

Contact was then made in July 2017 and additional information was requested on Mr L's behalf as well as further explanation being provided. Following this letters were sent acknowledging the query and other related information. A complaint was later logged and correspondence regarding this was sent.

It is clear that this issue has caused Mr L stress and inconvenience. He has been chased for a debt that wasn't his and then had to go about gathering information to prove this. However, I do not find that Hoist's letters were threatening and I haven't evidence to show that Mr L was harassed by telephone by Hoist. Hoist did put the account on hold while the dispute was being investigated.

That said, it wasn't until this service provided evidence that Hoist accepted Mr L wasn't liable for the debt. I appreciate that given the information it was provided when it took over the debt Hoist pursued Mr L but given the contact in 2017, I think it could have acted sooner to request the information it needed to confirm whether the debt was Mr L's. Had this happened, this issue could have been resolved sooner.

Neither party accepted our investigator's recommendation of £350 compensation. However, considering the actions taken by Hoist (acknowledging that it isn't responsible for the issues experienced by Mr L prior to it taking over the debt), the nature of the contact, the upset this caused Mr L and the time involved I find that £350 is reasonable.

I note Mr L has raised concerns about the damage to his credit file. I haven't seen any evidence that Mr L has been caused any financial loss due to any impact this issue has had on his credit file.

Overall, I find that removing the liability for this debt from Mr L and removing any information that may be recorded on his credit file in regard to this debt, along with £350 compensation is a fair resolution to this complaint.

my final decision

My final decision is that Hoist Finance UK Limited should remove any liability regarding the debt from Mr L and remove any data regarding this debt from his credit file. Hoist has agreed to this and I understand these actions have been taken.

I also find that Hoist should pay Mr L £350 for the trouble and upset he has been caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 7 June 2019.

Jane Archer
ombudsman