

complaint

Mr D complains that Arvato Financial Solutions Limited ("CSL") has not treated him fairly in that it incorrectly sent correspondence including personal and financial information to a third party, in breach of his privacy. He says this caused him distress and inconvenience which he should be compensated for.

background

Mr D's debt with a credit provider was passed to CSL which commenced debt collection activities. In the first instance, CSL sent correspondence to the address it held for Mr D, which was not answered, so it conducted a trace. This led CSL to a third party's address, to which it sent correspondence about the debt. On being told the address was incorrect, CSL corrected the details. The debt was returned to the credit provider and subsequently passed to CSL again. CSL repeated the trace, with similar results but when it was told by the third party to correct its records, it appears not to have done so. This led to further correspondence, including letters of demand and warnings of legal action being sent to the third party, a relative of Mr D, causing Mr D's privacy to be breached and considerable distress to him and his relative.

Our adjudicator noted that if Mr D had responded to the initial correspondence from CSL, the trace leading to the incorrect address may not have happened. But he considered that CSL could have acted more quickly to rectify its error and recommended that compensation of £250 would be fair and reasonable in the circumstances.

Mr D does not agree, saying he should receive more compensation, in line with that awarded for a similar complaint he had made. CSL does not agree, saying the complainant is Mr D's relative, and if Mr D is bringing the complaint on his behalf, should have said so.

my findings

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

complainant

CSL has said that it should not have to pay any compensation for a complaint raised by Mr D's relative, and has provided a copy of a defence it intended to use in court proceedings (which did not go ahead). I have reviewed the complaint letter from Mr D to CSL and the Final Response Letters it issued which preceded the complaint to this Service. I am satisfied that the complaint before me is by Mr D and concerns distress and inconvenience which he experienced as a result of CSL's errors.

I am therefore able to consider this complaint as being by Mr D and as being one which CSL has had the opportunity to investigate. That litigation was being contemplated by Mr D's relative is not relevant to this complaint.

CSL's errors

Evidence relating to the chain of events regarding the debt indicates that CSL should have been able to identify and rectify the errors arising from the trace on Mr D more quickly than it did. It received repeated advice that it had the wrong address but continued to send correspondence regarding the debt to that address, causing considerable distress and

inconvenience to Mr D and the third party. It also appears not to have made a note after the first trace to the effect that the original address, not that uncovered by the trace, was the correct one to use.

I appreciate that the matter could have been avoided if Mr D had answered the original correspondence, but that does not absolve CSL of responsibility for continuing to use the incorrect address when it had been told of the error. Because of this, I consider that CSL should pay Mr D compensation of £250 for the distress and inconvenience its errors caused.

Mr D has queried this amount of compensation, referring to the expected award from a separate complaint he has brought in relation to this matter. I understand this award is yet to be confirmed, and that it stems from an offer from the business in question. I make my decision on the basis of the merits of the individual complaints, and in light of all the circumstances, I am satisfied that compensation of £250 is fair and reasonable.

my final decision

My final decision is that I uphold this complaint in part. In full and final settlement of it, I order Arvato Financial Solutions Ltd to pay Mr D £250 compensation for the distress and inconvenience its errors caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 16 May 2016.

Catherine Wolthuizen
ombudsman