

complaint

Mrs B complains about Arrow Global Limited's handling of a debt they say she owes them.

background

Mrs B is represented in this complaint, but for ease I'll refer to Mrs B below when describing the actions of her or her representative.

Mrs B took out a credit card account with another business (company A) in 2005.

In 2013, the outstanding debt on that account – just over £2,000 – was sold to Arrow.

Mrs B paid regular monthly amounts to Arrow until November 2017 and the outstanding debt now stands at nearly £1,000.

Mrs B recently asked Arrow for a copy of the original credit agreement. They tried to obtain this from company A but it was no longer available.

Mrs B made a complaint to Arrow. She's unhappy they can't provide a copy of the agreement. She says that means the debt is unenforceable and Arrow should stop asking her to pay it. And she says the amount they say she owes isn't correct.

Mrs B also says she was vulnerable when she took the credit, which shouldn't have been offered to her. She says she experienced financial difficulty, so charges and interest shouldn't have been added to amount owed when she fell behind on repayments. And she objects to the account having been defaulted.

Mrs B is unhappy about what she calls Arrow's aggressive collection methods. And she says they didn't carry out due diligence when they bought the debt to verify the amount actually owed.

Arrow accepted they'd been slow to respond to Mrs B's request for a copy of the credit agreement and apologised for this. But they didn't uphold the rest of her complaint.

Mrs B was unhappy with this outcome and brought her complaint to us. Our investigator looked into it and didn't think Arrow had done anything wrong.

Mrs B disagreed and asked for a final 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.

Arrow bought the debt in 2013. There are a number of things Mrs B complains about which aren't Arrow's responsibility.

Company A defaulted the account. And in any case because that was more than six years ago, the default is no longer reported by the credit reference agencies, so it's no longer having an effect on Mrs B's credit status.

Company A were responsible for the decision to make the credit available to Mrs B. And company A applied charges and additional interest to the account when Mrs B fell behind on her repayments.

It's clear from the Mrs B's account statements that since Arrow bought the debt, they've not applied any charges, interest or any other increase to the amount owed. This steadily decreased as Mrs B made monthly repayments until November 2017.

If she wishes, Mrs B can make a complaint to company A. If she's not happy with the response she can complain to us, but she needs to take into account the time limits which apply to our investigations. Unless there are exceptional circumstances, we can't look into things which happened more than six years ago, or more than three years after the customer became aware they had cause for complaint.

In terms of this complaint about Arrow, I can't to ask them to answer for what company A may have done before Arrow bought the debt.

I believe Mrs B disputes the amount she owes primarily because of the charges and interest added earlier – which she says were unfair. As I say, those are not Arrow's responsibility. And the evidence suggests Arrow have done nothing to increase the debt since they bought it.

In terms of Arrow checking that the debt was legitimately owed when they bought it – or carrying out due diligence as Mrs B puts it – I don't think it's unfair or unreasonable for them to assume that the amount owed was as stated by company A. It's not for Arrow to check that every charge or any interest added by company A was legitimate.

In any case, Mrs B didn't dispute the amount owed in 2013 when Arrow told her they'd taken over the debt. And she continued to make regular monthly repayments for more than four years. So, on balance, I'd say she probably accepted that the amount owed at the time Arrow bought the debt was correct.

Arrow can't provide Mrs B with a copy of the original credit agreement. Again, it appears company A didn't keep a copy – or can't locate one now – so, I can't say Arrow are responsible for the lack of a copy.

Mrs B says this makes the debt unenforceable in legal terms. That's something that only the courts can decide and it's not for me to offer a legal opinion on that here. I do note, however, that Arrow said in their correspondence with Mrs B that because they couldn't provide a copy of the original agreement, they couldn't pursue Mrs B for the debt through the courts.

There's no evidence to suggest Arrow have misled Mrs B about the lack of a copy of the original credit agreement – or about the implications of that. So, I can't see that they've acted unfairly or unreasonably in that respect.

Finally, Mrs B alleges Arrow have been aggressive in pursuing the debt. The evidence we have of the contact between Arrow and Mrs B suggests they wrote to her on a number of occasions offering to reduce the total amount owed in return for immediate payment. I don't think this could be regarded as aggressive. The content and tone of those letters makes it clear Arrow are making an offer, rather than a demand.

In summary, I'm satisfied that since buying the debt, Arrow haven't treated Mrs B unfairly or unreasonably.

my final decision

For the reasons set out above, I don't uphold Mrs B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 15 May 2019.

Neil Marshall
ombudsman