

complaint

Ms H complains that MKDP LLP (MKDP) are chasing her for a debt which is still in dispute and are threatening her with legal action to recover the debt. She doesn't accept she owes this amount.

She wants MKDP to stop chasing her for the debt and return the debt to the original creditor. She is willing to pay the amount that is genuinely owed but she complains that the amount she is being chased for is incorrect and should be written off.

background

Ms H had entered into a hire purchase agreement for a vehicle with a third party creditor (loan provider) in 2008. She fell behind in her payments. The agreement was ended and the vehicle returned to the loan provider in late 2010. Ms H disputes how the agreement was ended.

The loan provider says that there is an outstanding debt but Ms H disputes the amount of this debt. The debt was sold to MKDP in 2014. MKDP are now chasing Ms H for recovery of the debt.

Ms H says that MKDP shouldn't be chasing her for this debt as it is incorrect and still being disputed.

Our adjudicator considered this complaint and thinks that MKDP haven't done anything wrong by pursuing this debt as they bought it in good faith from the loan provider. And he says they carried out relevant checks with the loan provider once Ms H told them she was disputing the amount of debt.

Ms H asked for an ombudsman to consider the complaint and it has now come to me to decide.

my findings

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

Having done that, I don't uphold Ms H's complaint.

From what I can see, the loan provider had completed their investigation and concluded that the debt still stood at the amount they had calculated. Although Ms H says she was still in communication with them about this debt, she didn't bring the complaint to us or take up other options at that time even though the loan provider had issued their final response on the matter.

The loan provider eventually sold the debt on to MKDP. From the information I've been given, I don't think MKDP were aware that Ms H was still disputing the amount of the outstanding debt when they bought it. So it appears to me that they bought the debt in good faith.

When they found out that Ms H was disputing the amount, they carried out checks with the loan provider and were informed that there was a dispute about how the agreement came to an end but that this was investigated and that the balance remains outstanding.

I've been provided with a copy of the agreement and correspondence between the loan provider and Ms H. I've also been given a copy of the final response letter from the loan provider. It would've been apparent from this that Ms H had the option of pursuing the complaint about the disputed amount against the loan provider with us over two years before MKDP purchased the debt but she didn't until after the debt was sold on to MKDP. So I can see why MKDP continued to pursue Ms H for the debt.

The issues that Ms H has about not receiving the default notice in October 2010, the way in which the agreement was terminated and the amount of the outstanding debt are issues that would need to be taken up with the loan provider. But Ms H is out of time in bringing a complaint against the loan provider to us and so I can't investigate the merits of that complaint.

So based on the information that MKDP have been provided with and the documents I've seen, I don't think it's unfair for MKDP to pursue Ms H for the amount they were told is outstanding. Ms H also asked for the debt to be written off. But I don't think it's fair for me to ask MKDP to write off a debt which they bought in good faith and which still seems to be outstanding.

And as mentioned above, the dispute over the amount of debt is one for the loan provider. I could've asked MKDP to return the debt to the loan provider. But as it has already concluded its investigation, and given that we can't investigate that complaint, it wouldn't help Ms H for us to do that.

I appreciate Ms H's difficult position, but for the reasons mentioned above, I can't see that MKDP are wrong in pursuing the debt.

It follows that I don't uphold this complaint.

my final decision

I don't uphold Ms H's complaint against MKDP LLP.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 8 April 2016.

Navneet Sher
ombudsman