

## **complaint**

Mr C's unhappy that Capquest Debt Recovery Limited charged him interest on a debt he owed.

## **background**

In 2009 Capquest bought Mr C's debt from a bank. In May 2011 the debt was repaid in full by the supervisor of his IVA arrangement and this included an additional £619.84 for statutory interest. Mr C considers this was an overpayment and he wants Capquest to repay it to him plus interest.

Our investigator felt this complaint shouldn't be upheld. He said Mr C's agreement with the IVA supervisor says, amongst other things, that when a debt is paid in full, statutory interest will also be paid. So, here it isn't unreasonable for Capquest to charge statutory interest on top of the actual debt owed. And he will not ask it to refund money to Mr C.

Mr C doesn't agree and has asked for an ombudsman review. He says Capquest told him there'd been an overpayment and despite it later saying this was an error that's a legally binding agreement.

## **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 payment to Capquest was made by Mr C's IVA's supervisor. It's not for me to consider what was done in the IVA. And if Mr C remains unhappy with the way the IVA was handled he will need to take that up directly with the IVA supervisor.

I note Mr C's agreement with the IVA supervisor made clear that if a debt was paid in full statutory interest would also be added to and paid on the debt.

In this case it appears the debt owned by Capquest was paid off by the supervisor in full from a share dividend received. And, as such, statutory interest was also paid.

Mr C says he was told by Capquest he was due a refund. But it also confirmed that was in fact an error. I don't think that this incorrect statement constitutes a binding legal agreement or means Capquest is bound to repay any money to Mr C as he suggests.

Taking everything into account I don't think I can fairly or reasonably now require Capquest to repay to Mr C the statutory interest amount it received as Mr C would like.

## **my final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 22 December 2018.

Stephen Cooper

**ombudsman**