

complaint

Mr P complains that Motormile Finance UK Limited ("MMF") is pursuing him, aggressively and illegally, for a debt dating from 2010 which he says he didn't incur and in any event is now statute barred.

background

MMF purchased an outstanding payday loan debt made in June 2012 to Mr P from a lender whom I'll call "L". It said the total now owed on the debt was £523.75. MMF wrote to Mr P asking him to repay the debt.

Mr P said he hadn't taken out the debt, so didn't owe the money. MMF said this debt was a rollover debt from an earlier loan made in November 2010, for which an agreement had been signed by Mr P electronically. It sent him a copy of the November 2010 agreement. Mr P denied having entered into this agreement. In any event, he said because of the date of the original agreement, the debt was now statute barred and irrecoverable, and MMF was wrong to pursue him for it.

MMF didn't accept what he said. It said that information it held from the application for the loan tied it to Mr P. So the money was owed by Mr P.

Our investigator didn't recommend that this complaint should be upheld. She said that the evidence MMF held suggested that the money borrowed from L went into a bank account which Mr P owned. So she couldn't fairly say that he hadn't borrowed the money. MMF had bought the loan from L, so she thought MMF was fairly asking Mr P to repay the loan.

She didn't think the letters MMF had sent to Mr P amounted to harassment. And only the courts could decide if a loan was statute barred so she couldn't comment on that part of Mr P's claim.

Mr P reiterated that he hadn't taken out the loan. The evidence MMF had produced was flimsy and didn't support its claim. He said he had been a victim of a fraud.

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 law relating to when a debt becomes statute barred is technical and is for the courts to decide. In this case MMF says the original debt from November 2010 was rolled over in June 2012. This would suggest the six year limitation period wouldn't start until then at the earliest. So it's by no means clear that this debt is presently statute barred.

Mr P strongly denies that he had anything to do with the original debt. MMF investigated his claims. However the evidence that MMF received from L suggests it's more likely than not that Mr P did apply for the loan and it was paid into a bank account in his name. In these circumstances I can't say that MMF has acted wrongly in seeking to recover the loan from Mr P.

From the evidence I've seen, I don't think the way it has gone about this amounts to harassment or is contrary to the guidance issued by the Financial Conduct Authority on recovering disputed consumer debts.

my final decision

For the reasons I've set out above, my decision is that I don't uphold this complaint, and make no order against Motormile Finance UK Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 18 January 2018.

Lennox Towers
ombudsman