

## **complaint**

Mr N complains that Arrow Global Limited is unfairly chasing him for a debt. This complaint has been brought on his behalf by a professional representative.

## **background**

Mr N entered into a credit agreement with a third party. This agreement was transferred to Arrow in December 2011. And Arrow is seeking repayment of the outstanding debt.

In April 2018 Mr N's representative complained that Arrow hadn't provided information including a copy of the original credit agreement or a signed statement. They argue this means Arrow can't enforce the agreement.

The representative also said Mr N feels the original lending was irresponsible. And complained that Arrow hadn't updated Credit Reference Agencies as to the status of the debt.

Arrow partially upheld the complaint and apologised for the time it took to respond to requests for information. It explained it hadn't been able to obtain a copy of the original credit agreement and had updated the account as being unenforceable, meaning it would not be pursuing the matter through the courts. But it said the account remained outstanding and repayments were due to be made. And asked Mr N to get in contact to discuss this.

Arrow also said it couldn't comment on any irresponsible lending concerns as it wasn't party to the account when it was opened. But it provided a list of payments it had received towards the debt and evidence that it hadn't added any charges to the account.

Mr N continues to dispute the debt and says Arrow isn't able to demonstrate that it properly accumulated in accordance with the contract. His representative has asked that Arrow write off the debt, or reduce it to an amount it can demonstrate is outstanding, and pay Mr N compensation.

Our investigator noted that there was no evidence of a signed credit agreement. But said that in their opinion Mr N had entered into an agreement and was reasonably aware that the debt existed. The investigator explained that it wasn't for him to determine whether or not the debt is enforceable by law. And said that he didn't think Arrow's pursuit of the outstanding amount was unreasonable or unfair. He also said that he hadn't seen any evidence that Mr N's credit file was being unfairly impacted by this matter.

Mr N didn't accept our investigator's view. So the case has been passed 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.

Another similar complaint has been raised with Arrow by the professional representative acting on behalf of Mr N in this case. I can see there has previously been some administrative confusion, so to be clear, I am not able to look at the details of that complaint here. I am only looking at the information relevant to Mr N's complaint and the account held with Arrow in his name (as our investigator has clarified to the parties he considered).

As our investigator explained, it's not the role of this service to determine whether or not a debt is legally enforceable. That's a decision that only a court can make.

In this case Arrow says it has recorded that the debt is unenforceable and that it will not pursue the matter in the courts. But it feels it's acting reasonably when asking Mr N to make repayments towards the outstanding balance. Mr N disagrees.

Where evidence is incomplete or not available I have to make my decision on the balance of probabilities. That is, what I think is most likely to have happened given the evidence and arguments provided.

Arrow hasn't been able to produce a copy of the original credit agreement Mr N entered into with the third party. But Mr N hasn't disputed that he entered into such an agreement. Arrow has provided us with a copy of a notice of assignment addressed to Mr N and dated 15 January 2012. And a log from the original credit agreement provider showing account activity prior to the transfer to Arrow (from March 2003 to the end of 2011).

It's also shown us a statement from its system containing details of activity on the account since December 2011. I can see from this that regular monthly repayments were made to reduce the balance until May 2017. And that Arrow hasn't added any fees or charges to the account.

Like our investigator, I'm of the opinion these repayments show that Mr N was aware of the debt, and suggests he accepted that repayment was due. So I think Arrow has reasonable grounds to believe the debt is owed by Mr N. I also think that the nature of the repayment arrangements that were previously in place (most recently for £13.77 a month) show that Arrow did take into account Mr N's financial situation, and make allowances for the financial difficulties he was facing.

I haven't seen any evidence to suggest the amount Arrow says it is owed was disputed prior to this complaint being made. Which again suggests to me that, on balance, it's likely Mr N felt that the amount Arrow said he owed when it took over the agreement was correct. I've also seen evidence that Mr N was subject to a debt management programme, and the debt management company engaged with Arrow on his behalf. And I think it's likely the debt management company would have taken steps to check the amounts Mr N owed before making offers of repayment.

I'm sorry to hear Mr N has been experiencing financial difficulties. I do empathise, and I can understand why he might be concerned Arrow is asking him to make repayments towards this debt. But I haven't seen anything to suggest Arrow is asking him to repay amounts that he cannot afford. And I can see that in its final response letter Arrow signposted some independent debt advice organisations that may be able to assist Mr N. I think this was a reasonable step for it to take.

I understand Mr N has concerns that the original lending was irresponsible. But as Arrow was not the original lender, I cannot consider this here. And I don't think it's reasonable to suggest that Arrow had a responsibility to review the underwriting of the agreement when it purchased the debt.

Concerns have also been raised about the impact this account is having on Mr N's credit score. But, as our investigator noted, we haven't been provided any evidence of this. Arrow says that a default was applied to the account by the third party prior to its purchase of the debt in 2011. Which would mean that, as more than 6 years as passed, the account is no longer being reported by Credit Reference Agencies. And as I've said, it's not for this service to make a decision as to whether the debt is legally enforceable or unenforceable.

I understand Mr N and his representative are disappointed with the amount of time it took Arrow to respond to their request for documents. Arrow has already apologised for this, and I can see from the system notes it has provided to us that it did take steps to contact the original credit agreement provider, and put Mr N's account on hold during this period, which I think was reasonable.

I know Mr N will likely be disappointed by my decision, but for the reasons I've outlined above I think its likely Mr N is responsible for this debt. So I don't think Arrow has acted unfairly when asking him to reach a repayment arrangement. And having looked closely at its records of contact with Mr N, I also haven't concluded that Arrow has taken unreasonable steps to pursue the debt, or behaved in an aggressive manner.

### **my final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 3 August 2020.

Jenette Lynch  
**ombudsman**