

## **complaint**

Mr C has complained that 1st Credit Limited continued to ask him for payment of a debt when he believes this was not enforceable.

## **background**

In April 2014 1st Credit contacted Mr C asking him to repay £3,755.94. This was a debt they'd bought from the original loan provider many years ago. Mr C asked 1st Credit to provide him with evidence that the debt was his. He also complained to the ombudsman service.

1st Credit confirmed to our adjudicator that they accepted this debt was statute barred and they had decided not to pursue Mr C for the debt any further. Our adjudicator told 1st Credit that he felt they should pay Mr C £150 for continuing to ask Mr C to pay the debt; misleading him and encouraging him to repay after the debt was statute barred. He was also not convinced that they'd shown that the debt was Mr C's.

1st Credit disagreed with this outcome as they feel that any request to repay was not unreasonable. This case has therefore been passed to an ombudsman to review.

1st Credit has also provided further information about Mr C's original loan but not all of the documents that Mr C initially requested.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I know that Mr C feels very strongly that 1st Credit are obliged to provide him with a number of documents to show whether this debt is his. And they never did this. I agree but I don't believe that I need to consider this aspect. My reasoning for this is that if Mr C wanted to prove this debt was unenforceable to a court, I can appreciate why he was asking for these documents. But I am considering whether 1st Credit's treatment of him – including the correspondence of 2014 – was fair and reasonable. I am also aware that there is no dispute that this debt is statute barred so the lack of original documentation is a bit of a red herring from the ombudsman service's review of this case. In any case the outcome I propose would be the same.

I recognise upfront that 1st Credit has confirmed that they have stopped asking Mr C to pay back this debt. I believe this is fair.

However I am aware that 1st Credit knew this debt was statute barred in 2011 and continued to ask payment from Mr C in 2014. And this is after a break of about two years. I don't consider this to be reasonable. I believe the tone of the letter they sent to Mr C in April 2014 suggests that he still owed the money. In addition Mr C wrote to 1st Credit in April and May 2014 asking for a number of documents but also raising a complaint. I can see nothing that shows this was ever properly dealt with.

In fact 1st Credit wrote to Mr C confirming that the debt was statute barred but that they remained entitled to ask for repayment. I believe this was misleading. As 1st Credit knows, the rules for businesses carrying out consumer credit business state:

*“A firm must not continue to demand payment from a customer after the customer has stated that he will not be paying the debt because it is statute barred”.*

I believe 1st Credit knew that Mr C believed the debt was statute barred. However I do not agree with Mr C that 1st Credit were harassing him. Balancing these two aspects has led me to agree with out adjudicator's conclusion that 1st Credit should pay Mr C £150 for the inconvenience caused.

**my final decision**

For the reasons stated above, my final decision is to uphold Mr C's complaint and instruct 1st Credit Limited to pay him £150 for the inconvenience caused in pursuing a debt when it was statute barred.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr C to accept or reject my decision before 30 April 2015.

Sandra Quinn  
**ombudsman**