

complaint

Mr G complains about Arrow Global Limited ("Arrow Global") and its agents for pursuing a debt against him which he did not recognise. He believes he should be reimbursed all money he has paid against the debt, and that he should be compensated for the distress and inconvenience he has experienced over the life of the debt.

background

I set out the background to this matter and my provisional view in a provisional decision issued in April 2020. A copy of that decision is attached.

In that decision, I set out that I considered that over all Arrow Global had not done anything substantially wrong in pursuing the debt against Mr G, as Mr G had owed the debt and this had been purchased by Arrow Global. I did, however, consider that Arrow Global had been slow to respond to Mr G's queries and requests for information. I therefore considered that Arrow Global should pay a total of £150 compensation to Mr G to recognise that these delays had caused him additional distress.

My provisional decision has been shared with the parties for their comments.

Arrow Global has not responded to the provisional view.

Mr G has submitted comments, disagreeing with the way that I have described the background to the complaint, and with my provisional decision.

He argued that I have reversed the burden of proof which requires Arrow Global to demonstrate that they were properly owed the debt. He feels that if Arrow Global cannot provide proof of the origins of the debt then Arrow Global should repay to him the money he has paid towards the debt. He also considers that Arrow Global were misleading and threatening in their correspondence to him, about legal proceedings.

Mr G has made other comments, relating to information not sent to him by Arrow Global, and he has indicated that he cannot see why I reached the provisional view that £150 compensation was appropriate in the circumstances.

my findings

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

I appreciate that Mr G does not agree with my provisional view, and I have considered his additional arguments.

His main argument is that he was advised in relation to the legal proceedings that Arrow Global held the legal burden of proving the debt. Mr G thinks that if Arrow Global was not able to prove the debt then he should be repaid the money he has paid towards the debt.

I should be clear that our process is not the same as the legal proceedings that Arrow Global initiated against Mr G.

In taking a claim to court, Arrow Global would have to demonstrate various details about the debt, and it appears that they were unable to do that, and so stopped the legal action.

Arrow Global stopping the claim is not the same as acknowledging that there was no debt owed. It is simply an acknowledgement that they had decided not to pursue the claim. This may have been because of a lack of evidence, or other reasons, but it does not mean that money paid to them already was inappropriately paid.

Mr G has, in fact, acknowledged that he owed a debt to his previous bank, H, and this was either from a managed loan, or from a current account. He acknowledges that he was paying regularly to reduce this outstanding debt, and that he believed it was properly owed to H.

Arrow Global bought the debt from H, and so the debt properly transferred to them.

The remit of this service is not to determine the enforceability of the original debt, but it is to look at whether a financial business has acted fairly and reasonably. If it hasn't, we can look at making an award of compensation that is fair and reasonable.

Mr G acknowledges that he owed a debt to H, and that debt was sold to this business. Arrow Global then pursued recovery of the debt, until it stopped the proceedings and wrote off the remaining debt. I do not think this was unfair or unreasonable.

I also think that it would be unfair if Arrow Global was required to repay the payments that Mr G had made towards a debt which he genuinely owed.

Mr G has commented that he thinks that Arrow Global was misleading in the amounts it claimed for the debt. I do not agree. I can see that Arrow Global has explained what costs it included in the debts, and that it made clear what it was seeking through the court process.

Mr G has queried how I arrived at the level of compensation of £150, as an increase from the amount Arrow Global offered him (£50). This is because I considered that Arrow Global's responses to Mr G were either delayed, or were not sufficiently clear, and that this would have caused Mr G a degree of distress and inconvenience, in addition to that distress he felt as a result of Arrow Global pursuing the debt. I considered that there was an additional effect upon Mr G, but that the majority of his upset was not due to the service failings. I therefore think that £150 is in line with other awards we would make in similar circumstances where a consumer has received delayed or unclear correspondence.

Mr G has made other comments relating to individual details of my provisional view. I have considered these comments, and these do not materially affect my provisional view.

I therefore adopt my provisional decision, as supplemented by the above information, as my final decision.

I understand that Mr G will be unhappy with this decision, but I hope that it clarifies why I have reached that view, and why I do not agree with his additional points.

my final decision

For the reasons set out above, and contained in my provisional decision, I partially uphold Mr G's complaint, regarding delays and lack of clarity in communication.

I direct Arrow Global Limited to pay to Mr G a total of £150 compensation for his distress and inconvenience. Any compensation already paid to Mr G can be deducted from this total.

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

Laura Garvin-Smith
ombudsman