

complaint

Mrs Q complains that Arrow Global Limited wrongly pursued her for a debt which she says she does not owe. She says the business listed a default on her credit file, causing her financial loss, distress and inconvenience, which she would like to be compensated for.

background

In January 1980, a catalogue shopping account was opened with a company 'B', in Mrs Q's name. The street number in the recorded address was changed in March 2002. Only one payment was made to the account, in November 2007. Due to the time which has elapsed, no payment details are available and B has not been able to provide a copy of the signed credit agreement.

In January 2008, a default was placed on the account and it was assigned to a debt recovery agency, which then tried to collect the debt. Mrs Q wrote to the agency to dispute the debt in September 2010. The debt was then assigned to Arrow Global, which appointed a collections agency to recover the debt. Mrs Q contacted this agency in December 2011 to again dispute the debt, and followed this with a further email in February 2012. Shortly afterwards, the agency asked for Mrs Q's date of birth and other personal information, which Mrs Q refused to provide until she received further evidence that she owed the debt.

Arrow Global then passed the debt to another agency, which attempted to collect it. Mrs Q wrote to all agencies and Arrow Global at this point to dispute the debt and collections activity was eventually stopped in July 2013. In September 2013, Arrow Global closed the account and removed the information related to it from Mrs Q's credit file.

Our adjudicator recommended that the complaint should be upheld in part. He considered that Arrow Global could have investigated the debt at an earlier stage than it did, which could have prevented some of the distress and inconvenience which Mrs Q experienced. However, he did not consider he had enough evidence to conclude that the error was the sole cause of Mrs Q being refused credit from other providers.

Arrow Global does not agree, saying its agents did take steps to confirm the account, and that it has since received further information showing the account was opened by Mrs Q.

my findings

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

In its response to the adjudicator's view, Arrow Global has acknowledged that its agent made an error in referring the account for further collections activity while it carried out its enquiries. It has said that because Mrs Q did not provide personal information, these enquiries were frustrated but that it has since received information suggesting she did open the account.

I do not consider this relieves Arrow Global from responsibility for the distress and inconvenience which Mrs Q experienced. The onus was on Arrow Global to show that she owed the debt before it could commence collections activities. Mrs Q was not obliged to cooperate in what appeared to her to be a fishing exercise. That Arrow Global has since uncovered information which it says shows she owed the debt does not alter this, as it did not have that information when it tried to enforce the debt.

This also shows that there were further lines of enquiry available to Arrow Global at the time, which were not dependent on obtaining Mrs Q's personal details. It could have waited to receive this information before attempting to recover the debt, or could have ensured its agents did not mistakenly refer it. These errors meant Mrs Q experienced distress and inconvenience and I consider it is reasonable that she should receive some compensation for this.

my final decision

My final decision is that I uphold this complaint in part. I order Arrow Global Limited to pay Mrs Q £100 compensation for distress and inconvenience.

Catherine Wolthuizen
ombudsman