

complaint

Mrs B complains that Paragon Finance Plc (trading as Idem) caused her significant distress when they chased her about a debt her ex husband had been paying for them both.

background

Mrs B had joint loans with her ex husband Mr B. He'd been paying the debts over the years. But when the debt was taken over by Idem they contacted Mrs B and pursued her for the repayments as well as her ex husband. Even when Mr B agreed a full and final settlement with them, in his wife's presence, they continued to pursue Mrs B for what they said remained of the debt and this situation persisted until Mr and Mrs B got them to listen to the earlier call and accept the agreement was on behalf of both of them.

Mrs B says that as a result of Idem's mistakes she suffered significant distress. She says that she'd told them she was vulnerable, suffering from stress and ill health, but that they took no account of this.

Idem offered Mrs B £50 in compensation for the distress their actions had caused but our investigator thought that wasn't enough and suggested £100 was fairer.

But Mrs B didn't think that was sufficient. She accepted much of what the investigator had said but she challenged whether Idem were right to pursue her at all after the full and final settlement had been agreed. She said that, as she and her husband were *"jointly and severally"* responsible for the debt, it followed that when a settlement was reached it was a joint settlement and no further payment could be demanded of the other person and that, as a result, the compensation was to compensate her for the distress caused by Idem's *"significant failings"* that had caused her so much distress. She thought the compensation should be much higher and asked for this review.

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 know it will disappoint Mrs B but I agree with the investigator's view and for similar reasons.

There is no dispute that Mr and Mrs B were jointly and severely liable for the debt and for that reason I agree with the investigator that Idem were entitled to pursue Mrs B for it, as well as Mr B. I can understand that this must have been upsetting but I don't think Idem were doing anything wrong.

Idem wrote to Mr B after a manager had reviewed the phone call he and Mrs B had with them. They confirmed they'd accepted his payment in *"full and final settlement"* of the debt and I agree that as Mrs B was jointly and severely liable for the debt this meant that any full and final settlement must apply to the whole loan and couldn't be viewed as applying to only half of it.

So I agree with Mrs B and with the investigator's view when she said *"once a joint loan is settled ...it will be regardless of who pays the settlement"* and that *"it wasn't reasonable...to have continued to ask for payment"*. I don't think the investigator's position differs from that

of Mrs B. They both note that Idem were wrong to suggest that Mrs B had any accountability after the full and final settlement.

I therefore have to consider how much distress was caused and how much compensation is fair. I'm aware, and I know Idem were, that Mrs B was struggling with health issues at the time and this issue must have added to her worries and been distressing for her. But I don't think she's been financially inconvenienced by the matter and I think that £100 is reasonable compensation given the relatively short time it took Idem to put this matter right. I'm therefore not going to be asking them to pay any more than the £100 already agreed.

my final decision

For the reasons given above I uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 5 October 2017.

Phil McMahon
ombudsman