

complaint

Mr E complains about the way Northern Debt Recovery Limited ("NDR") responded to his financial difficulties.

background

Mr E's debt was passed to NDR for collection. NDR did not make any attempt to assess Mr E's financial situation despite being made aware of his financial difficulty and that he was working with a debt counselling charity. NDR sent Mr E numerous emails and text messages chasing payment, continued to add interest and charges to his account and sent bailiffs to collect the money owing. Mr E is unhappy about the way it has treated him.

Our adjudicator recommended that the complaint should be upheld. In summary, she considered that:

- NDR had not responded positively and sympathetically to Mr E's financial difficulties. It did not attempt to contact Mr E to assess his financial situation to see whether he would be able to repay the debt or to discuss options with him. It did not contact the original lender, carry out any checks or offer any alternatives for repayment to make the loan more affordable for him. It rejected without any apparent reason the request and proposal from a debt counselling charity for a repayment plan. Instead it continued to chase Mr E demanding payment and adding interest and charges.
- It was not reasonable in the circumstances for NDR to continue to add interest and charges to his account. As a result Mr E's debt was increasing although he was struggling to make the original repayments. At the point NDR froze interest and charges they had already accumulated to an excessive amount, which is unfair.
- NDR had caused unnecessary distress and inconvenience to Mr E. It ignored the fact he was in financial difficulty, continued to chase for payments he could not afford and sent numerous emails, letters and text messages. It also arranged for bailiffs to visit Mr E.
- NDR should therefore remove all interest and charges it had added to Mr E's account and pay him £100 compensation for the distress and inconvenience caused. If the account is still with it, then it should also arrange a fair and reasonable payment plan for Mr E to repay the outstanding balance.

NDR has not responded to the adjudicator's opinion.

my findings

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

Having done so, I agree with the conclusions reached by our adjudicator for broadly the reasons given and I see no compelling reason to change the proposed outcome in this case.

my final decision

My final decision is that I uphold this complaint. In full and final settlement of it, I order Northern Debt Recovery Limited:

1. To remove from Mr E's account all interest and charges it has added to it;
2. To pay Mr E £100 compensation; and
3. If the account is still with it, to arrange a fair, reasonable and affordable payment plan is set up on Mr E's account.

Stephen Cooper
ombudsman