

## **complaint**

Mr P complains that PRA Group (UK) Limited are now pursuing him for a debt that he thought had been settled.

## **background**

Mr P took out a fixed-sum loan agreement in September 2009 with a third-party creditor to help fund the purchase of a car. He eventually returned the vehicle to the main finance provider and assumed that the outstanding balance of any debt would be cleared.

Mr P complained when he was subsequently contacted by PRA Group in 2019 seeking repayment on the £1,177.68 that remained outstanding on his account, as he said it was cleared when he returned the vehicle.

PRA Group said that they purchased the debt from the third-party creditor in February 2014, and explained that the debt was in relation to a top-up loan used to assist in purchasing the vehicle and so was separate to the vehicle's main finance agreement, which was arranged with a different creditor. So they maintain that the balance remains payable.

Our investigator didn't uphold the complaint as he didn't think PRA Group were not entitled to pursue the debt given that it had been assigned to them. Mr P disagreed, and says that he never received a letter supposedly sent by the debt collectors in 2015 regarding the purchase of the debt.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I've decided not to uphold it.

I appreciate that Mr P may have considered that the debt had been settled when he returned his vehicle. But the debt in which he is now being pursued is in relation to a top up loan to assist in financing the purchase of the vehicle. This was taken out with a third-party creditor and was in *addition* to the main finance agreement for the purchase of the vehicle, which was with a different creditor. So when Mr P returned the vehicle to that creditor, it may well have settled the finance agreement. But given that the top up loan was not secured on the vehicle and was not with the same creditor, Mr P was still liable to pay this debt notwithstanding the sale of the vehicle.

PRA Group subsequently purchased the outstanding debt from the third-party creditor it was taken out with. I appreciate Mr P may not have received any correspondence in this regard, as he says he did not receive a letter that was supposedly sent in 2015 informing him of this. But even if he did not receive the letter, it would not prevent PRA Group from pursuing the debt if it remains enforceable under the Consumer Credit Act 1974, irrespective of whether it has been a few years since the debtor has been contacted in relation to the debt (so long as it falls within the relevant statutory limitation periods).

It does not fall within the remit of this service to declare a debt unenforceable, and Mr P should seek separate legal advice if he feels this is the case. But seeing as there is currently no reason to suggest that the debt *is* unenforceable, I don't think PRA Group have acted unreasonably by contacting Mr P with a view to settling the outstanding balance.

I understand Mr P also has concerns with how the loan was sold. But given that it was not PRA Group who sold it, this isn't something I can hold them responsible for, so I am unable to comment on this.

**my final decision**

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 14 February 2020.

Jack Ferris  
**ombudsman**