

The complaint

Mr A complains Moorcroft Debt Recovery Limited told him no further action would be taken to collect his debt – but a default was recorded.

What happened

Mr A's debt regarding a personal loan had been passed to Moorcroft by his bank, who I'll refer to as H, to recover the outstanding funds. This is because H said the money was still owed.

Mr A disputed the money was still owed and contacted Moorcroft to tell them this. On 5 June 2023 Moorcroft wrote a letter to Mr A to say there would be a hold on his account until 1 July 2023. Mr A says despite this, a default was recorded on his loan account on 21 June 2023. Mr A complained, saying he'd been harassed and he wanted £8,000 compensation and a letter of apology to settle the matter.

On 6 July 2023 Moorcroft explained they act on their client's instructions (this is H in Mr A's case). From their perspective, they'd told Mr A they wouldn't be taking any further action on his account – but the recording of a default is H's responsibility, not theirs. Moorcroft said H told them the payment is still owed, but as Mr A was still in dispute with H about this, then the account would remain on hold with them for the time being.

Mr A was unhappy with Moorcroft's reply, so asked us to look into things. As part of our standard process we asked Moorcroft for their side of things. They said H had told them the debt was still owed – so they asked Mr A on 7 August 2023 to contact them. And they said if no contact was made in 30 days, then the regular standard contact would resume. This happened, and then they received notification of Mr A referring the matter to us.

One of our Investigators looked into this complaint and found Moorcroft hadn't done anything wrong.

Mr A disagreed with this, so the complaint's been passed to me to decide.

What I've decided – and why

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

As a starting point, I think it's probably helpful to explain our service has also considered the complaint against H – and in a separate decision I've found Mr A does owe the loan balance. I understand Mr A would have been frustrated at Moorcroft telling him they wouldn't be taking any further action with his account – only to then find the account in question had been defaulted. But, as Moorcroft have said, the account was defaulted by H not them – so I don't think they've done anything wrong on this point.

I think Mr A is saying he was harassed by Moorcroft on the basis he didn't owe the debt. Harassment is a criminal offence, so I can't decide if he has or hasn't been – and if Mr A

wants a judgment on whether he's been harassed or not he'd need to pursue the matter legally.

My remit is to consider things on a fair and reasonable basis. Here, Moorcroft were told by H the debt was still owed – so contacted Mr A in line with that. As I've explained above, this has turned out to be correct in my view. Because of that, I don't think Moorcroft have acted unfairly.

I've also looked at their attempts to contact Mr A – and haven't found any concerns more generally here either.

Overall, H had asked Moorcroft to get in touch with Mr A to repay the debt, and I've seen nothing to suggest Moorcroft have pursued the debt in anything other than an appropriate matter.

My final decision

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 21 March 2024.

Jon Pearce
Ombudsman