



Press release

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## Financial Ombudsman Service dealing with over a thousand complaints about debt collection a year, new figures show

*“Lack of empathy” from businesses creates problems for vulnerable consumers*

In 2018, the ombudsman service dealt with around 3,300 enquiries about debt collection and took on over 1,000 new complaints for investigation. The complaints cover credit and consumer loans, such as mortgages, credit cards and personal or business loans. They don't include household debts such as utilities or council tax, as these are outside the jurisdiction of the Financial Ombudsman Service.

These figures are highlighted in new data published today by the Financial Ombudsman Service, who are calling for debt collection firms to improve their practices for supporting vulnerable consumers.

Of the complaints resolved by the ombudsman service last year, one in five (21%) of the complaints were about whether the consumer was being asked for the right amount of money. 13% were about customer service issues, including being contacted excessively, and 13% were where the customer told us that the debt being chased didn't belong to them.

However, several instances of good practice from business also emerged from the research. Some examples were:

- Most businesses were flexible in terms of how much they were prepared to accept, and if it became clear that the consumer would never be in a position to pay off the debt, it was generally written off.
- Most businesses had references to debt charities in their letters, although sometimes this was in small print or at the bottom of the letter.
- Businesses generally followed recognised credit industry good practice when collecting debts.

**Caroline Wayman, chief ombudsman and chief executive of the Financial Ombudsman Service, said,**

“In the past three years we have investigated thousands of complaints from consumers about debt collection companies. These complaints cover a wide range of issues,

including aggressive customer service tactics, disputes about the size of the debt, breaches of confidentiality and failure to carry out instructions.

“We have seen cases where a lack of empathy or flexibility from businesses can create more problems for people who are struggling, and who may be in vulnerable circumstances. We would encourage anyone who has a dispute with a debt collection company to contact us. In our research we did see examples of good practice from companies, and we would encourage all debt collection companies to learn from and follow industry good practice.”

The debt collection figures were published alongside data on all complaints handled by the Financial Ombudsman Service in quarter three of the 2018/19 financial year. The full figures are available in the latest edition of Ombudsman News, [available under embargo here](#).

**Ends**

#### **Media contact**

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#### **Notes to editors**

#### **About the Financial Ombudsman Service**

The Financial Ombudsman Service was set up by Parliament to resolve individual complaints between financial businesses and their customers fairly, reasonably, quickly and as informally as possible. It can look into problems involving most types of money matters from payday loans to pensions, pet insurance to PPI. It is committed to sharing insight and experience to encourage fairness and confidence in financial services.

<http://www.financial-ombudsman.org.uk/>

#### **About the statistics**

The ombudsman service upheld a third (32%) of complaints against debt collection firms in 2018. This is consistent with our uphold rate for all cases.

Top five issues in debt collection cases in cases resolved by the Financial Ombudsman Service in 2018:

<b>Complaint issue</b>	<b>Cases resolved with merits</b>	<b>Uphold rate</b>	<b>% of all cases resolved with merits</b>
Amounts Payable	171	27%	21%
Customer Service	124	31%	13%
Incorrect Person	81	43%	13%
Credit Reference/CIFAS	92	27%	12%
Failure to carry out instructions	41	41%	6%