

### The complaint

Mr L has complained that Lowell Financial Ltd sent letters to an address where he was recovering, and he didn't provide it with the address or give it permission contact him at that residence.

Miss L is Mr L's representative in this complaint.

### What happened

In 2016 Mr L had two accounts with Lowell. In October 2016 he wrote to Lowell and explained his financial position. Lowell agreed to a repayment to help Mr L reduce the outstanding balance on the accounts. But in 2018, Lowell purchased two further accounts with outstanding balances.

In October 2018 Mr L wrote to Lowell again. In this letter he explained that he was suffering with his mental health. He asked that Lowell only corresponded by email, and said that his postal address was a 'care of' address whilst he was recovering away. So, Lowell placed all four accounts on hold for 90 days.

Mr L has said in May 2019 he began to receive letters at his safe place. Despite him asking Lowell to communicate by email. Mr L never provided Lowell with the address of the safe place. But he had updated his bank account with this address as he needed proof of address to register at a local doctors. So, he said, Lowell must have completed a soft search to locate this address.

The residence which Mr L calls his safe place was actually his friends' residence. When he received the letters from Lowell, he says she asked him to leave as she didn't want to be associated with the outstanding debt or the pursuance of it. This resulted in Mr L having to re-locate. But due to his financial circumstances he didn't have the funds to do so. So, his friend who he was staying with, lent him £5,000 for relocation costs, deposit and rent. As a result of this, it left Mr L's friend in mortgage arrears.

Mr L has said the constant letters has severely impacted his mental health, blood pressure and he has made several attempts on his life. He has also had to stop working, so he isn't in a position to repay the £5,000 he borrowed from his friend. Because of this Mr L raised the complaint with Lowell.

Lowell investigated Mr L's complaint. It said that after it had placed Mr L's accounts on hold, two of the accounts became 'unlinked' from the main account in error. This meant that they were no longer being dealt with by its specialist team. As a result, an automated trace procedure was carried out, and Mr L's safe space address was found.

Lowell has said, once it was made aware of the error it immediately placed a 'hold' mark on the accounts associated with the safe space address to stop any further correspondence going to that address. After investigating the complaint, and carefully considering Mr L's circumstances it decided to close all four of Mr L's account. This was to stop any further distress being caused to Mr L. As a result of this Lowell cleared the remaining outstanding

balance on Mr L's account which totalled £11,000. However, it did explain that Mr L's associated defaults would remain on his credit file for a period of six years, but they had been marked as partially satisfied.

Mr L remained unhappy and his representative raised a further complaint with Lowell. She felt further compensation was owed, due to the fact that Lowell's actions led to Mr L having to borrow £5,000 from his friend to re-locate. This in turn left his friend in mortgage arrears, and Mr L was not in a position to repay the debt. But Lowell felt the offer it had already made was fair. So, Miss L brought Mr L's complaint to our service.

Our investigator looked into Mr L's complaint, but he thought that Lowell had done enough to put things right. He said, he agreed Lowell shouldn't have sent Mr L letters to his safe space, but he accepts this was done in error. But he went on to say that if Lowell hadn't made the offer it had, our service would have considered the trouble and upset that it had caused and decided if it was foreseeable. Our investigator explained that our compensation levels that our service awards are modest. So, while he accepted that the error made by Lowell had a big impact on Mr L, he felt the overall offer exceeded what we would have recommended if an offer hadn't been made.

Mr L didn't agree, so the case was passed to me to consider.

### **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.

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 agree with the investigator's findings for broadly the same reasons, I will explain why. But firstly, I would like to say that I am truly sorry to hear about the difficult circumstances Mr L finds himself in. I appreciate this couldn't have been easy for him, and I have taken this into consideration.

### *Pursuance of debt*

It is not in dispute that Lowell made an error, and all parties agree that the letters should not have been sent to Mr L's safe space. I have seen evidence provided by Lowell that Mr L's accounts had all been linked under the same account and were being managed by the specialist account team. I appreciate that an error occurred with Lowell's system which triggered two of Mr L's account to become 'unlinked' from his profile. And because of this, two of his accounts were no longer being dealt with under the specialist account team, hence why a soft search was completed, and the safe space address found.

However, Mr L had acted reasonably and responsibly by notifying Lowell of his circumstances. He had outlined he would like to be contacted by email, and advised he wasn't currently staying at the address Lowell held on file. He never provided Lowell with his safe place address and didn't give it permission for it to be used. I think it is fair to say that Lowell were aware of the challenges Mr L was facing, and that is why his accounts were being managed by the specialist team.

So, taking that into account, I think it is reasonable to suggest that it was foreseeable that a level of distress would have been caused to Mr L if he was to be contacted at his safe place. Especially, as Lowell were aware of his circumstances. So, I appreciate that an error caused two of Mr L's accounts to become unlinked. But I think more care should have been taken to ensure Mr L's requests had been adhered to, and his accounts continued to be

dealt with by the specialist account team. I accept that Mr L receiving these letters while he was trying to recover (and had acted responsibly in notifying Lowell's of his circumstances) would have been distressing and caused a level of upset which Mr L should be compensated for.

#### *Third party debt*

So, I have gone on to consider the events which then followed, after the letters were issued to Mr L's safe space.

Mr L has said, as a result of receiving letters from Lowell at his safe space, his friend, who resides at the safe space, asked him to leave, as she didn't want to be associated with the debt or pursuance of the debt. Mr L has provided evidence from the third party to confirm this was the position, and I can appreciate the third party's concerns in relation to this. However, at that point Mr L then borrowed £5,000 from the third party to assist with re-location costs. And he is not in a position to repay this debt. So, he feels that Lowell should compensate him for this.

But I don't think it was foreseeable that Lowell's error, would result in a third-party lending Mr L £5,000. And as a result of the third party's generosity, it left them in mortgage arrears. I say this because, Lowell were unaware this was a third party's' residence. The letters were addressed to Mr L and at the time of borrowing the £5,000, Mr L would have been aware he was not in a position to repay the debt. So, I don't think Lowell should be held responsible for the outstanding amount Mr L owes the third party.

So with that in mind, I think it's reasonable to suggest that Lowell's failure to ensure Mr L's accounts were being managed by the specialist account team, and to adhere to his requests to be contacted by email would have caused Mr L a great deal of trouble and upset. And this would have made his already challenging circumstances even harder. And so, I would have considered an award to compensate Mr L for the trouble and upset Lowell had caused in relation to this. But Lowell has already agreed to close Mr L's accounts and clear an outstanding debt of £11,000. I feel this is more than reasonable, and more than I would have awarded if it hadn't already made that offer. So, I won't be asking Lowell to do anything further.

Mr L is aware that the defaults associated with the accounts will remain on his credit file for six years and the debts will show as partially settled.

#### **My final decision**

My final decision is that Lowell Financial Ltd has already made an offer to write off Mr L's outstanding debt of £11,000 in order to settle the complaint and I think this offer is fair in all the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 12 June 2020.

Jade Rowe  
Ombudsman