

The complaint

Mr C complains that Lantern Debt Recovery Services Ltd is pursuing him for a debt that he doesn't believe he's liable for.

What happened

Mr C took out a loan with a lender I will refer to as 'W'. In early 2019, W went into administration and the administrators sold Mr C's debt to Lantern.

Mr C complained to Lantern. He didn't think that he should have to repay the debt, because he believed the lender had acted irresponsibly when it gave him the loan.

Lantern didn't agree it had done anything wrong. It said it would refer his complaint to W's administrators because Mr C's concerns related to the actions of W, rather than Lantern.

Mr C brought his complaint to our service. He said that W owed him money for another loan, but Lantern had refused to discuss this. He also believed that the loan Lantern was pursuing him for was mis-sold. W had written off a separate loan which was for a smaller amount but the same principles should apply. He wanted Lantern to reassess the mis-selling of the loan and take responsibility for this, deduct the amount W had already said was mis-sold from the balance and provide compensation for poor service.

Our investigator looked into Mr C's concerns but didn't think his complaint should be upheld. She said Lantern wasn't responsible for the sale of the loan. A complaint about the sale of the original credit should normally be made to the business responsible for the sale. As W had gone into administration, any complaints needed to be made to the administrators. She thought it was clear that Lantern had passed on Mr C's complaint to the administrators. And Mr C had been given information on how to proceed with his claim against the administrators.

Mr C disagreed with our investigator's view. So, his complaint has been passed to me.

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.

Having done so, I've decided not to uphold Mr C's complaint, I'll explain why.

Mr C feels that Lantern shouldn't be pursuing him for the debt because the money was lent to him irresponsibly.

Lantern says that it purchased the debt from W's administrators in May 2019. It was told that a redress programme was being undertaken by the administrators and the account it had purchased wasn't affected by this. It doesn't believe its responsible for any of the concerns Mr C raised and has told Mr C he needed to take this up with the administrators.

Mr C has sent us a copy of an email he'd received from W's administrators which confirms that his debt was sold to Lantern. It also says that prior to the administrators' appointment W *"identified a number of customers who may be entitled to redress relating to (W's) historic affordability, creditworthiness and responsible lending practices. As part of this process, you have **not** been identified as a customer who is potentially entitled to a redress claim from (W). However, if you nonetheless believe that you have a claim in the administration you may provide further details of your claim by completing the claim form for use by redress creditors' found at..."* This is followed by a link to the administrators' website.

I appreciate that Mr C believes he shouldn't have been given the loan. But I can't say that Lantern is responsible for this as the lending decision was made by W. I think it's clear from the information above that any claim relating to this needed to be made to W's administrators.

Mr C hasn't disputed taking out the loan and since the debt had been sold to Lantern, I think it was fair for it to pursue Mr C for the debt.

Mr C also believes the loan should be written off because W had agreed to writing off another loan he'd taken out with it. And he says Lantern should reduce the amount it's pursuing him for, because W owes him money.

But these concerns also relate to W's actions as the lender and took place before Lantern bought the debt. So, these points don't make a difference to my decision.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 30 March 2020.

Anne Muscroft
Ombudsman