

The complaint

Mr D complains that Lowell Financial Ltd sent misleading information when it took over ownership of his credit card debt.

What happened

On 23 September 2019 Lowell Portfolio I Ltd acquired a debt in Mr D's name from the original lender. On 15 October 2019 Lowell Portfolio I Ltd sent Mr D the Notice of Variation (NOA) that set out the change in ownership. The correspondence included the original lender's NOA. The NOAs sent both said that Lowell Portfolio I Ltd had appointed Lowell Financial Ltd to administer the account on its behalf.

Mr D says that on receipt of the NOAs he called the original lender and was told the letters he received weren't genuine. Mr D complained and Lowell Financial responded on 29 November 2019. Lowell Financial's final response said there was no evidence a third party letter had been fraudulently sent to Mr D and didn't uphold the complaint.

Mr D referred his complaint to our service and it was passed to an investigator. They thought Lowell Financial should have made it clearer that it takes the step of sending out the original lender's NOA. The investigator asked Lowell Financial to pay Mr D £50 and it agreed. Mr D didn't accept and responded to the investigator to say he didn't believe that Lowell Portfolio I Ltd owns the debt and that they remained concerned about the NOAs he received. As Mr D didn't accept, his case has been passed to me to make a decision.

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 appreciate Mr D is concerned that the correct NOA process hasn't been followed. But I've looked at the evidence available and I can't see any indication that an error has been made. The original lender sold the debt to Lowell Portfolio I Ltd on 23 September 2019 and, in line with the rules, NOAs were sent to Mr D around three weeks later. I've reviewed the NOAs and they both confirm the change in ownership of the original debt.

Mr D feels Lowell Financial shouldn't have sent the original lender's NOA, but I'm not aware of any rule or regulation that says it can't take that step. Lowell Financial has confirmed there is an arrangement with the original owner of the debt that means it will send out the NOAs together. That's a step it's entitled to take.

Both NOAs explain that the new debt owner is Lowell Portfolio I Ltd and that Lowell Financial Ltd would be the business administering it and contacting Mr D. I'm satisfied the NOA dated 15 October 2019 clearly explains the new arrangement and what Mr D needed to do.

Mr D has asked Lowell Financial to send him evidence that the original lender has agreed to allow it to send NOAs out on its behalf. But I wouldn't expect Lowell Financial to send its

customers copies of correspondence between it and the original lender detailing the arrangements between them. I'm satisfied that Lowell Financial has now correctly explained why it sent Mr D the original lender's NOA.

Mr D says he remains concerned that Lowell Portfolio I Ltd isn't the owner of the debt. I appreciate Mr D's concerns, but I'm satisfied the evidence I've seen shows the debt was acquired by Lowell Portfolio I Ltd on 23 September 2018 and that it is the owner.

Lowell Financial has agreed to pay Mr D £50 because its final response failed to correctly explain why it had sent the NOA to Mr D on behalf of the original lender. I agree that Lowell Financial missed an opportunity to explain the situation to Mr D and I think the £50 it's agreed to pay fairly reflects the impact of that error.

I haven't found anything to show Lowell Financial has made a mistake in terms of the way it corresponded with Mr D after his debt was acquired. I agree the final response could have been clearer. Lowell Financial has agreed to pay Mr D £50 in recognition of the distress and inconvenience caused by this matter and I'm satisfied that is fair in all the circumstances.

My final decision

My decision is that I uphold this complaint and direct Lowell Financial Ltd to pay Mr D £50.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 6 October 2020.

Marco Manente
Ombudsman