

The complaint

Miss L complains that Lowell Portfolio I Ltd placed a default on her credit file in relation to a debt that isn't hers.

Miss L also complains that she wasn't sent certified copies of the original credit agreement, default notices and notice of assignment from the original lender.

Ms L complains that Lowell is unfairly pursuing her for the debt.

What happened

Lowell acquired several debts in Miss L's name. This case relates to a catalogue shopping debt.

The original debt owner says Miss L opened a catalogue shopping account via a credit agreement in October 2015. The account fell into arrears and the original debt owner defaulted it on 14 August 2018.

Lowell acquired the debt on 10 October 2018 and a notice of variation was sent to Miss L on 26 October 2018. Lowell took over responsibility for reporting the default on Miss L's credit file. Over the following months, Lowell attempted to recover the outstanding balance from Miss L.

Last year, Miss L complained and Lowell responded on 18 October 2019. Lowell explained that the default was applied by the original lender after the account fell into arrears. Lowell said the original lender received the last payment on 28 December 2017 and the account defaulted with a balance of £400 on 14 August 2018. Lowell sent Miss L a credit agreement, but it wasn't in her name.

Miss L referred her complaint to our service and it was passed to an investigator. He thought Lowell had dealt with the majority of Miss L's complaint points fairly, but recommended it pay £100 to recognise the distress caused by receiving someone else's credit agreement. Lowell asked to appeal and said it hadn't had enough time to investigate the incorrect credit agreement it sent out.

More recently, Lowell issued another final response to Miss L dated 7 August 2020. Lowell apologised for sending Miss L someone else's credit agreement and offered her £150.

Our investigator forwarded Lowell's offer to Miss L along with a copy of the original credit agreement, an account statement issued by the original lender and copies of the notice of assignments. Miss L responded and explained the original debt was opened by an ex partner who has now passed away. Miss L asked to continue the complaint so her case has been passed to me to make a final 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.

There are number of issues involved in this case and I'll look at each in turn.

Miss L has told us she wasn't responsible for the original debt. But, as our investigator has said, Lowell wasn't party to the way the debt was arranged in October 2015 by the original lender. In October 2018 Lowell acquired the debt from the original lender and sent Miss L a notice of assignment. I understand Miss L has serious concerns about how the original debt was set up, but that's not something Lowell can comment on. Miss L should refer any complaint she has about whether the original debt is hers to the original lender.

Miss L says Lowell has failed to send her the key documents. Our investigator recently forwarded Miss L a copy of the July 2018 statement, a copy of the original credit agreement and copies of the notices of assignment Lowell and the original lenders sent Miss L. I understand Miss L has concerns about the addresses used by Lowell. But Lowell was acting in line with the information provided by the original lender, along with information it was able to obtain. I'm satisfied Lowell used reasonable addresses to try and contact Miss L.

We have now forwarded Miss L a copy of the original credit agreement which says it was accepted electronically by Miss L in October 2015. A statement copy and notices of assignment have also been sent. So I'm satisfied Miss L has now been given the information she asked for when she originally complained. I wouldn't expect Lowell to have copies of the default notices and correspondence the original lender was required to send Miss L.

Miss L says the original lender never reported the default on her credit file and that it was Lowell that took that step after it acquired the debt. Again, I can't look at the original lender's actions as part of this complaint. But I'm satisfied the default date Lowell has reported accurately reflects the information it was given when it acquired the debt. Lowell has sent evidence to show it is reporting the default date as 14 August 2018. Lowell didn't acquire the debt until 10 October 2018 and confirmed the change to Miss L on 26 October 2018 when it sent a notice of assignment. I don't know whether the original lender ever reported the default. But I would have expected it to stop reporting a default once the debt was acquired by Lowell so only one default would show on Miss L's credit file.

I'm sorry to disappoint Miss L but I'm satisfied the debt was legitimately acquired from the original lender and that Lowell is entitled to try and obtain repayment from her. As a result, I don't agree that Lowell has acted unfairly by contacting Miss L about the outstanding balance.

Our investigator upheld Miss L's complaint because Lowell sent Miss L someone else's credit agreement and asked it to pay £100. Lowell subsequently investigated this issue and agreed it sent Miss L someone else's credit agreement. Lowell apologised and offered Miss L £150. I know Miss L is upset at receiving someone else's credit agreement and I can see there was a considerable delay in obtaining copies of the relevant documents. But the information has now been sent to Miss L and I'm satisfied that £150 fairly reflects the impact of receiving someone else's credit agreement in addition to the delay.

I'm satisfied Lowell's offer of £150 is a fair way to resolve this complaint so I'm not telling it to increase the settlement or take any further action.

As I've said above, if Miss L remains concerned that the catalogue debt wasn't opened by her and that the correct default process wasn't followed, she should refer her concerns to the original lender

My final decision

My decision is that I uphold this complaint and direct Lowell Portfolio I Ltd to pay Miss L £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 25 September 2020.

Marco Manente
Ombudsman