

## **The complaint**

Mrs G complains that Lowell Financial Ltd (Lowell) failed to provide a legible copy of her original credit agreement. Mrs G also complains that Lowell failed to carry out reasonable checks when it acquired the debt and that it can't demonstrate that the outstanding debt it says is owed is correct.

## **What happened**

Mrs G took out a personal loan in 2004 but on 20 January 2006 the account was closed and defaulted after repayments weren't maintained.

On 31 March 2014 Lowell purchased the debt from the original lender. On 16 July 2014 Lowell and the original lender both wrote to Mrs G to confirm the new ownership of her account.

Mrs G continued to make payments to the original lender. In January 2015 Mrs G's payments were forwarded by a third party as part of a debt management plan (DMP). Mrs G's payments continued to be received via third parties until June 2019.

Last year, representatives acting for Mrs G complained and said Lowell hadn't been able to provide a legible copy of the credit agreement. They also said Lowell had failed to provide evidence to show how the outstanding balance had come about. Lowell responded on 20 January 2020 but didn't uphold Mrs G's complaint. Lowell said the important information relating to Mrs G's credit agreement was legible, that it was satisfied the debt had been legitimately acquired and that the outstanding balance is correct.

Mrs G's representatives referred their complaint to our service and it was passed to an investigator. They didn't uphold the complaint and Mrs G's representatives asked to appeal. In response, the representatives raised concerns that Lowell had failed to provide a legible copy of the loan agreement. They also advised that Mrs G's payments to Lowell had been made via third parties and that it was unfair to assume she was aware she was repaying the debt. As Mrs G didn't accept, her complaint 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'd like to thank Mrs G's representatives for the level of detail included in their submission and subsequent responses to the investigator. I've considered all the points made and raised both to Lowell and our investigator. Where issues raised relate to the actions of the original lender, I haven't commented. In addition, whilst I've read everything Mrs G's representatives have said, my response focuses on what I feel are the key issues. Whilst I may not have commented on all the points raised, I have read and taken them into account when reaching my decision. My approach reflects the informal nature of this service.

Mrs G's representatives have pointed to industry guidance that says a business should be able to provide a legible copy of a consumer's credit agreement. I've read the guidance and I've looked at the credit agreement we have on file. I agree that some of the wording isn't legible but I can read the key information relating to Mrs G's loan. I can see her name, address, date of birth, the loan amount, the amount of interest, the total amount borrowed, the administration fee, the monthly payments required as well as Mrs G's signature and the date she signed. I can also read much of the remaining information within the credit agreement.

Whilst I'm aware of the industry guidance referred to, our service takes a fair and reasonable approach to resolving complaints. I'm satisfied the information I've seen shows Mrs G did agree to take out a personal loan on 14 September 2004. I haven't found that Lowell has acted unfairly by relying on the information it obtained from the original lender, including the credit agreement, as a basis for asking Mrs G to make repayments.

Mrs G's representatives have said that Lowell failed to show the amount owed was correct. But both Lowell and the original lender confirmed the outstanding balance in the notice of assignment letters they sent on 16 July 2014. If Mrs G felt the amount Lowell said was outstanding was wrong, I'd have expected her to have raised those concerns at the time. But, Mrs G went on to make monthly payments to the outstanding debt for the next five years. I think that shows Mrs G wasn't concerned that the level of debt transferred to Lowell was wrong.

In addition, Lowell has forwarded details of all the payments Mrs G made between 2014 and 2019. I'm satisfied the information I've seen shows Lowell purchased the debt when Mrs G owed £9,860.06 and that it has a record of all the payments she has made from that time.

Mrs G's representatives also say that the debt was paid as part of a DMP including around 50 debts and that she can't reasonably be expected to have been aware she was paying Lowell. I'm not persuaded Mrs G was unaware of the debt with Lowell. Whilst I can see the vast majority of Mrs G's payments have come via third parties, I'm satisfied that she agreed to make repayments as part of the terms of her DMPs and that she would have been aware of the debts included. I also think it's reasonable to note that more than one third party has acted for Mrs G during the period she made payments to Lowell and that each would have to be satisfied she was aware of the debts and could afford to repay them before negotiating a DMP for her.

I'm sorry to disappoint Mrs G but, for the reasons I've given above, I haven't been persuaded to uphold this complaint.

### **My final decision**

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 16 December 2020.

Marco Manente  
**Ombudsman**