

The complaint

Mr M complains about Lowell Financial Ltd's actions when seeking to recover a debt. Mr M says Lowell has failed to show the debt it is seeking to collect was taken out by him. Mr M also complains that Lowell failed to treat him fairly despite being aware of his circumstances.

What happened

A credit card was opened in Mr M's name in September 2016 but was closed at the beginning of 2017 after payments weren't made. The original lender terminated the agreement and sold the debt to Lowell in March 2018.

On 1 June 2018 both Lowell and the original lender wrote to Mr M to confirm the new arrangement and that there was a balance of £146.24 to pay. Lowell also acquired other debts it says belong to Mr M.

Lowell contacted Mr M about the debt and in October 2018 he asked it to deal with a third party that was helping with his finances. In February and March 2019 Mr M discussed his circumstances and told Lowell how his mental health had impacted the situation. Lowell agreed to reduce the outstanding balance by 50% and Mr M made payments until November 2019.

Mr M asked Lowell to send him the original paperwork he signed when agreeing to open the credit card and complained about how it had treated him. Lowell responded on 2 January 2020 and said it was obliged to send him a true copy of the original which shows the terms accepted, not a photocopy. Lowell didn't agree it had treated Mr M unfairly and didn't uphold his complaint.

Mr M referred his case to this service and it was passed to an investigator. The investigator first said we could only look at complaints relating to debts that had come about under a credit agreement. In a follow up letter, the investigator said they thought Lowell had treated Mr M positively and sympathetically in relation to the mental health difficulties he told them about and thought the agreement to reduce the debt by 50% was fair.

Mr M asked to appeal and said he wasn't persuaded the debt was legally owed as he hadn't been sent anything to show it was his. Mr M also said Lowell had failed to take his mental health into consideration and hadn't treated him fairly. As Mr M didn't accept the investigator's view, 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.

The investigator sent Mr M two sets of findings. The first, dated 9 November 2020, said the Financial Ombudsman Service could only consider Mr M's complaint about the credit card debt Lowell acquired. Mr M responded to confirm he understood. The investigator then sent Mr M his view concerning how Lowell had handled the credit card debt it acquired. Mr M has

confirmed he understands we can only consider his complaint about the credit card debt and my decision will follow those lines.

I can see Mr M is concerned that Lowell has failed to provide a copy of his original credit agreement that shows he signed up for the credit card. I can understand his frustration and why he wants to get a copy of his credit agreement. But, Lowell has confirmed it doesn't have the original credit agreement. Lowell says it has provided a true copy of the account terms, along with its Notice of Assignment that shows Mr M was the borrower.

I can't say whether Lowell can enforce the debt in court, that's not the role of this service. And whilst I understand Mr M's concerns that Lowell hasn't sent him the document he wants, I haven't found grounds to tell it to stop contacting him. Like the investigator, I think there's enough information to show Lowell acquired a debt in Mr M's name and that it has a legitimate reason to ask for repayment. Whilst I can see the original credit agreement isn't available, I'm satisfied there's enough other information to show Lowell's decision to contact Mr M about the debt is reasonable.

Mr M has told us a lot of personal information about his state of mind and mental health. I'd like to thank Mr M for his candour, I can see he's been through a very difficult time. When businesses are made aware that a customer suffers with their mental health they need to ensure they're treated fairly. I've looked at how Lowell treated Mr M after he made it aware of the mental health difficulties he's been through.

I can see that when Mr M spoke with Lowell in October 2018 it agreed to place the account on hold so a third party acting on his behalf could contact it. Mr M and Lowell conversed by email in February and March 2019 and more details about the difficulties he's faced were provided. Having read the emails, I think Lowell took time to listen to what Mr M told it and I can see it placed the account on hold for 30 days.

Lowell later offered to reduce the outstanding balance. After Mr M gave it further information about his mental health, it agreed to reduce the outstanding balance by half, leaving an outstanding balance of £73.12. In my view, Lowell listened to what Mr M told it about his circumstances, changed its approach and treated him fairly.

Mr M completed a Data Subject Access Request and says some of the information he found was concerning as it didn't note the mental health concerns he told Lowell about. I can see that the document Mr M has forwarded says "no impact" but I think Lowell's actions show it did take Mr M's mental health into account and make adjustments when dealing with him. Mr M also found some of the information he received to be offensive. Having reviewed the documents he sent, I didn't see anything I found to be offensive in the information provided.

I think Lowell has a legitimate reason to contact Mr M about the credit card debt it acquired as an outstanding balance remains. As I've said above, I'm satisfied the information shows Mr M used a credit card with the original lender which was sold to Lowell with an outstanding balance. Going forward, Lowell is aware of Mr M's circumstances and that it will need to treat him fairly.

Mr M complains that Lowell has recorded information about the debt on his credit file. But Lowell is obliged to report information about accounts it holds. I'm sorry to disappoint Mr M but I haven't found grounds to tell Lowell to amend his credit file.

Whilst I understand my decision will come as a disappointment to Mr M, I haven't found that Lowell treated him unfairly or that it's requests for him to settle the outstanding credit card debt it acquired are unreasonable.

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 Mr M to accept or reject my decision before 27 February 2021.

Marco Manente
Ombudsman