

## **The complaint**

Miss T is unhappy that Lowell Financial Ltd won't amend or remove entries from her credit file.

## **What happened**

Lowell bought several debts in Miss T's name from various businesses. This service is dealing with a complaint relating to two of the accounts.

Miss T asked Lowell to give her evidence of its right to collect the debts. Lowell sent her various documents but wouldn't give her a copy of the deed of assignment, saying it was a private document between it and the original owners of the accounts.

Lowell told Miss T that it had closed the two accounts on its system with a zero balance but that it would continue to report the accounts for six years from the dates of default.

The investigator thought that Lowell could've done a better job of explaining what would happen after it closed the accounts, but he didn't recommend that Miss T's complaint be upheld.

Miss T disagrees with the investigator's recommendation. She asks what point there is if Lowell closes her accounts with no affect on her credit file. Miss T can't see how Lowell can take the business decision to close her accounts with a zero balance, and then report incorrect figures on her credit file.

## **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 has already explained why he agrees that it was reasonable of Lowell to try and collect the debts. And that Lowell wasn't obliged to provide Miss T with the deed of assignment in order to prove that it owned the debts. I agree with what he said, so I don't intend saying more about this. Instead, I will focus on what I consider to be the crux of Miss T's complaint – that as Lowell closed the accounts with zero balances, this should be reflected on her credit file.

Lowell's final response does say it has closed the accounts with a balance of £0.00. I can see why Miss T would focus on this and think this means that there's no longer any debt to report. But I don't agree that this is the case.

Lowell made a business decision to close the accounts and not ask Miss T for repayment. This doesn't mean that the debts have been repaid or settled. Lenders have a duty to report accurate information to the credit reference agencies. There is enough evidence to show that Miss T took out the credit and then defaulted on her payments. And that the debts were assigned to Lowell giving it the right to collect the debts.

Miss T didn't make any payments to Lowell, so the default balances remain the same as when the original creditors reported them. Although Lowell's internal reporting shows the balances at zero, Miss T still owes the money. As such the reporting of the defaults by Lowell is correct.

Miss T says that Lowell has removed other people's debts from their credit files so is treating her unfairly. She hasn't given us further evidence, so I can't consider this aspect of her complaint. But even if Lowell does sometimes agree to remove entries from someone's credit file, I can't say this means it must do the same in Miss T's complaint. Or that Lowell is treating Miss T unfairly because it won't make the changes she wants.

I understand that Miss T has made complaints of irresponsible lending to her original creditors. The outcome of these complaints may change things in the future. But in Miss T's current complaint against Lowell, I don't require it to take any further action. I'm sorry that this is likely to disappoint Miss T.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 17 June 2021.

Gemma Bowen  
**Ombudsman**