

The complaint

Miss M complains that Lowell Portfolio I Ltd (Lowell) is pursuing her for a debt which she believes to be unenforceable, and its contact with her amounts to harassment.

What happened

Miss M is represented in her complaint but for ease I will refer to her throughout the decision.

Miss M had a current account with 'Bank A' an overdraft facility which she opened in 2006. In 2010 Miss M's account defaulted with an outstanding balance of £2,046.29. The debt was sold to Lowell in June 2013 and a Notice of Assignment (NOA) was issued to Miss M informing her of the sale in July 2013.

Miss M set up a repayment plan with Lowell and made payments towards the debt over the following two years reducing the balance to £1,836.29. When Lowell stopped receiving payments from Miss M it wrote to her asking her to get in touch. Miss M made no contact with Lowell until May 2019 when she set up a new repayment plan. No payments were made under this repayment plan.

Miss M contacted Lowell again in July 2019 asking for evidence of the debt, specifically a copy of the consumer credit agreement (CCA), as well as other documents. Lowell responded to Miss M providing evidence of the debt, however it explained as the debt originated from a current account overdraft there was no requirement for any CCA documents.

There was further communication between Miss M and Lowell until December 2019 when Miss M made a formal complaint to Lowell. Her complaint points were:

- When she agreed to her former account with Bank A she was in financial difficulties.
- She did not receive notification that her account had been sold to Lowell.
- She believed Lowell did not complete the necessary due diligence prior to purchasing the account.
- Lowell had failed to provide her with a breakdown of the outstanding balance.
- She had received aggressive correspondence from Lowell.
- She believed Lowell have applied further costs and charges.

Lowell responded saying it didn't believe it had been aggressive in any of its correspondence or contact with Miss M. It confirmed that it had not added any further costs or charges to the account, it also provided copies of the NOA it had sent Miss M in July 2013, along with a transaction history of her current account. It explained that due diligence is carried out when an account is purchased, but it buys accounts in bulk and on good faith so individual checks aren't always carried out. However, in Miss M's case it was satisfied the debt was payable. Lowell also explained that any complaint Miss M had regarding her agreement to open the account would need to be taken up with Bank A.

Miss M remained unhappy and so brought her complaint to this service. The investigator that looked into her complaint didn't uphold it, in summary they said:

- It is not for this service to decide if a debt is enforceable, that is something only a court can decide on.
- He had seen no evidence that Lowell had been heavy-handed in its contact with her or that it had harassed her.
- Lowell had met its obligation to provide her with a NOA when it purchased the debt.
- Lowell had a legitimate commercial reason to make contact with Miss M in pursuit of the debt and so he didn't think it was necessary for them to cease contact.

Miss M disagreed and so the matter has been passed to me to decide.

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.

Although a number of issues have been raised, this decision only addresses those issues I consider to be materially relevant to this complaint. However, I've given careful consideration to all of the submissions made before arriving at my decision.

My role here is not to decide if the debt is enforceable that is the role of the courts, mine is to decide if Lowell has acted fairly in its dealings with Miss M. And having taken everything into account I think it has, so I won't be upholding Miss M's complaint, I'll explain.

Any dispute Miss M has about the original authorising of the overdraft will need to be taken up with Bank A, I have not considered it as part of this decision against Lowell.

When a debt is sold on, by the original lender, to a debt management company there is a obligation for it or the debt management company on its behalf to let the account holder know by way of providing a NOA. Lowell has provided a copy of the NOA it sent to Miss M in July 2013 and so I'm satisfied this obligation was met.

Lowell has also shown us that it has provided a transaction history to Miss M along with its final response letter to her complaint, so I can't say that it has failed to provide her with a breakdown of the outstanding balance. The transaction history also shows that no charges or interest have been added to the account by Lowell. Lowell has also confirmed this to Miss M and to us.

Miss M hasn't provided any specific information about the correspondence she feels was aggressive from Lowell, so I have looked at the contact notes from Lowell's system and a sample of correspondence to consider this. From what I have seen, I can't say there is anything aggressive in any of the correspondence. I do understand though that any contact chasing payment, when someone is in financial difficulties, can feel overwhelming. So, while I have sympathy for Miss M here, Lowell hasn't done anything wrong, it is making contact for a legitimate reason, and all contact I have seen has been professional in its nature.

Lastly Miss M has said that she believes Lowell didn't carry out any due diligence before purchasing her debt. Lowell as explained that it buys accounts in packages and it does carry out some checks and there is an element of good faith based on its agreement with Bank A. Its not for us to tell a business how to set its processes, but to ensure that those processes are followed and don't produce unfair treatment to its customers, so for example if those checks led to it pursuing the wrong person for a debt or pursuing somebody for a debt that was already paid or didn't exist.

I'm satisfied Miss M owed the original debt and the amount Bank A said was owing was correct when it sold the debt to Lowell. So, it follows I can't see that the due diligence process that Lowell has in place has led to any errors here in it pursuing Miss M for the debt.

Given all of the above I cannot say that Lowell has done anything wrong in its pursuit of the debt from Miss M and so I won't be asking it to do anything different here.

My final decision

For the reasons set out above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 25 July 2021.

Amber Mortimer
Ombudsman