

## **The complaint**

Mr N has complained about Lowell Portfolio I Ltd, saying they harassed him for unenforceable debts and falsely reported things on his credit file.

## **What happened**

Between 2005 and 2016, Lowell purchased a number of Mr N's debts. Some of these had already defaulted and some had not. For some years, Mr N made payments to these accounts through a debt management company.

In April 2020, Mr N explained to Lowell that, because of the effects of the pandemic, he could no longer make these payments. Lowell agreed to put all the accounts involved on hold. But they didn't take account of this in their credit file reporting, so on Mr N's file it was recorded that he was missing his payments on his non-defaulted accounts.

In October 2020, Mr N asked Lowell for a copy of the relevant credit agreements, arguing that without these the debts were unenforceable and so Lowell shouldn't have been taking payments for them. He also complained about the missed payment markers on his credit file. And he says Lowell were harassing him and their contact was menacing.

Lowell disagreed that they'd harassed Mr N, saying they'd honoured his repayment plans and had put things on hold while he was facing difficulties. Lowell explained that they'd reported the defaulted accounts correctly, but agreed they shouldn't have registered missed payments on the non-defaulted accounts while they were on hold. They apologised for that and, as compensation, wrote off all of Mr N's accounts, totalling around £14,000.

Our investigator looked into things independently. They explained only a court could decide if the debts were enforceable – but even if they weren't, the debts still existed and so it was fair for Lowell to ask for repayments. They said Lowell had treated Mr N appropriately and they couldn't see where they'd harassed him. They agreed Lowell should not have recorded the non-defaulted accounts as having missed payments while they were on hold, but felt that writing all the accounts off was more than fair compensation.

Mr N didn't agree. He felt Lowell had acted deplorably in recording missed payments. He asked for an ombudsman to review the case afresh, so the complaint's 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.

I should explain first that only a court can decide whether a debt is legally enforceable or not – that's not something I have the power to determine. With that said, even if these accounts had not been enforceable, that would only mean that Lowell couldn't take certain legal action – the debts would still exist and Lowell were still allowed to ask Mr N to repay them.

There does not appear to be any dispute that these were Mr N's genuine accounts, and so that these were debts he genuinely owed. So whether they were enforceable or not, in this case I don't think Lowell did anything wrong by asking for payments or accepting payments.

I've looked at Lowell's communication with Mr N, and I can't see that they've corresponded with him excessively or unreasonably. For example, they were clear that they were happy to work around Mr N's circumstances and only wanted him to make repayments that were affordable and realistic for him. They were also happy to work with his debt management company instead. And they regularly put things on hold in light of Mr N's circumstances or to give him breathing space. So I can't see that Lowell acted inappropriately there.

Both sides accept that Lowell did get things wrong by reporting some of these accounts as being behind on their payments, when they were actually on hold in light of Mr N's situation. I know that Mr N feels strongly about what happened, and I understand where he's coming from. I've thought very carefully about this point, taking into account all the stress and inconvenience involved for Mr N.

When a business gets something wrong, we often tell them to compensate their customer – to acknowledge their mistake and the impact it had. In terms of the amount of compensation, it's worth bearing in mind that we're not here to fine or punish businesses.

To resolve things here, Lowell closed all of Mr N's accounts – writing off around £14,000 of debt for him. They agreed not to chase him for those debts anymore or take payments, and they removed them from his credit file. Ultimately, this is a far larger value of compensation than what I would have awarded. So while I accept that Mr N feels most aggrieved about what happened, I cannot fairly tell Lowell to do anything further, as I think they've already done more than enough to put their error right.

### **My final decision**

For the reasons I've explained, I don't uphold Mr N's complaint in this case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 22 July 2021.

Adam Charles  
**Ombudsman**