

The complaint

Mrs L complains that Lantern Debt Recovery Services Ltd chased her for a debt she says had already been settled. She also complains that Lantern have breached data protection rules.

What happened

Mrs L had an account with a third-party lender, who I'll refer to as the original lender. She says she made a complaint to this service about the original lender and that this service upheld the complaint in April 2018 - so she thought she no longer owed anything in relation to the debt. Mrs L says the debt should have been settled at this point.

Later, Lantern contacted Mrs L to let her know that it was the new legal owners of the debt – and let her know how much was left to pay. Mrs L contacted Lantern and explained that she didn't think she owed the debt anymore, she told Lantern to get in touch with the original lender for more information. She also told Lantern she could get in touch with this service for proof of the complaint she says was upheld.

Lantern let Mrs L know that the original lender didn't have any record of the complaint she'd made. And the original lender still thought that there was a balance outstanding. But Lantern agreed to write off the debt anyway – so it wouldn't chase her for repayment.

Mrs L complained to this service about what happened. She says that Lantern had breached data protection rules because it should have had information about her complaint that had been passed on from the original lender and it had obtained her personal information illegally. She says that she has been relentlessly contacted by Lantern for recovery of the debt it says she owed. And she is concerned that her credit file has been affected as a result.

In order to settle this complaint, Mrs L would like Lantern to apologise to her and compensate her for the distress and inconvenience she says this situation has caused her.

Our investigator looked into things for Mrs L. He explained that he hadn't obtained a copy of the previous complaint this service had looked at, but he said he didn't dispute what Mrs L was saying - in that the account should have been settled. He didn't think Lantern had done anything wrong by contacting Mrs L about the debt. While he acknowledged that it's likely the account should be showing as settled, he didn't think this was as a result of something that Lantern had done wrong.

Mrs L didn't agree with our investigator, but she didn't provide any additional points for consideration.

Because Mrs L didn't agree, her complaint has been passed to me to make a decision on the matter.

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.

Based on everything I've seen, I won't be upholding Mrs L's complaint.

It's clear that there has been some confusion over this debt. Lantern has bought a debt that Mrs L says ought to have been settled. But it seems that Lantern acted on information it received from the original lender when it purchased the debt, and so I don't find that it has done anything wrong when it contacted Mrs L about it. And I don't think it would be fair for me to hold Lantern responsible for acting on information it was given by the original lender and that it thought to be correct.

Once Lantern became aware that the debt might have been settled, it contacted the original lender to get more information about the complaint Mrs L says was upheld by this service. The original lender didn't have any record of the complaint, and so it asked Mrs L to provide more information about this. Mrs L didn't respond with this information either, but Lantern wrote off the debt anyway. So, it has recorded that Mrs L doesn't owe anything, and it will no longer chase her for repayment.

I don't think Lantern could have done much more here. It acted promptly with the information it got from Mrs L, and it has written the debt off regardless so there hasn't been any financial loss to Mrs L. I don't find it unreasonable of Lantern to try and get more information from the original lender or Mrs L before it decided what to do with the outstanding balance – and based on the correspondence I have seen between the parties, I don't find that Lantern were relentless in communicating with Mrs L – it seems Lantern were simply trying to get to the bottom of the problem.

I have seen a copy of the letter this service sent to Mrs L in April 2018, about her complaint against the original lender. The complaint, as Mrs L has confirmed, was upheld, and the letter explained how much was due to be repaid to Mrs L. But the letter doesn't comment on whether or not that would still leave Mrs L with an outstanding balance to pay.

Even if there wasn't anything more left for Mrs L to pay, I don't find the fact that the account wasn't showing as settled was as a result of something Lantern has done wrong – it would have been up to the original lender to ensure that the information it recorded about Mrs L's account was up to date.

I can see that Mrs L has some concerns over the information that she thinks might be reported about this debt to the credit reference agencies. But I haven't seen anything that makes me think her credit file has been impacted – and Mrs L hasn't sent this service anything to support this. So I don't find that Lantern has done anything wrong here. I know Mrs L thinks that Lantern has breached data protection legislation too. But I haven't seen anything to suggest that it has done this either.

While I appreciate Mrs L might have been inconvenienced by having to communicate with Lantern to get the issue resolved, I don't find that this inconvenience has come about as a result of something Lantern has done wrong. So I won't be asking Lantern to do anything more for Mrs L.

My final decision

For the reasons set out above, I don't uphold Mrs L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 16 November 2021.

Sophie Wilkinson
Ombudsman