

The complaint

Mr K complains John Lewis Financial Services Limited ("John Lewis") delayed in communicating with him about a balance on his credit card account.

What happened

Mr K brought his complaint to us after he'd been contacted by John Lewis in January 2021 informing him his debt had been passed to a third party debt collection agency to manage. He told us he'd tried to call John Lewis a number of times after this but wasn't able to discuss the matter with them as they couldn't verify his identity. Mr K said he'd had an old account with John Lewis a number of years ago and couldn't remember if there was a balance. He made a complaint through the debt collection agency and in March 2021 received a cheque from John Lewis who told him they were cancelling some historic fees and interest. He contacted us after John Lewis's Final Response Letter ("FRL") in June 2021. He wanted to know why John Lewis were asking for money after so many years had passed, how the balance had accrued, why it had been left for so long and the current status of his account.

John Lewis told us their position had changed since the FRL. They said as Mr K had contacted them in 2016 and 2017 to look at a repayment plan, they thought he was aware he owed a debt to them. They said in 2018 a final demand was issued and they passed the matter to their internal debt collector. There was a delay in completing the subsequent sale of the debt to the third party debt collection agency and they were happy to offer Mr K £100 compensation to reflect this delay.

In respect of the security questions Mr K was asked when he called after receiving the letter John Lewis said it appeared Mr K may have changed address since his debt was passed on and, if he had, that would explain the issues with identifying him. They asked for Mr K to confirm his current address and they would make sure this was noted on his account. In respect of the verification process John Lewis said they were able to ask any suitable questions to assure them they were speaking to the correct person and saw no issue in asking the question they did of Mr K in those recent calls. But they did think their FRL wasn't a thorough response, so were happy to offer a further £50 to reflect this, taking their total offer to £150.

Our investigator didn't uphold complaint. She thought from the contact notes, call recordings and letters sent it was reasonable to say Mr K was aware there was a debt outstanding. As John Lewis didn't hear from Mr K the investigator thought their referral of his account to collections was reasonable. And she didn't think the time that passed - since Mr K last had contact with John Lewis and the approach of the third party debt collection agency - meant that the debt should be written off as Mr K requested. She thought the £150 John Lewis had offered for the trouble and upset caused by their delay in actioning the collections activity on

his account was a fair way for them to resolve the complaint. So, she didn't think they needed to do anything more.

Mr K didn't agree with the investigator and asked for an ombudsman to make a final decision. He thought the complaint shouldn't have come this far and told us he still didn't know the balance outstanding and was unclear what the monies paid to him by John Lewis represented. He was concerned that once the balance was known he would have difficulties repaying it on his current income.

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 given a full summary of the background to this complaint in her view. So, I shan't repeat that here. I'm afraid there's not a great deal I can add to what she's already told Mr K. I think she's covered most points quite clearly and I agree with her analysis and conclusions for these reasons:

- Mr K now accepts there's a balance owed on the account but if he didn't, the statements and the call recordings satisfy me the account existed and had a balance outstanding;
- John Lewis have recently confirmed in writing to Mr K the correct amount of the outstanding balance;
- John Lewis are entitled to peruse the outstanding balance so I can't say they were unreasonable in referring the matter to collections;
- John Lewis accept that between 2018 - when they issued a demand for payment and passed it to their internal debt collector - and the debt being sold to a third party debt collection agency there was a delay;
- John Lewis accept their initial FRL - advising Mr K to call their HRS team and telling him they couldn't investigate further as the account was with a third party - wasn't a thorough response;
- I've listened to all the call recordings John Lewis have sent. I can't say they've done anything wrong in asking the questions they have in trying to identify Mr K when he called them.

I understand it must have been frustrating for Mr K not to be able to get to the bottom of this when he called John Lewis after receiving their letter in early 2021. And it's hard to disagree with the observation that, had he not brought the matter to this service, he may well still have been going between John Lewis and the external debt collection agency trying to obtain information to resolve the matter.

But John Lewis have now recalled the debt and confirmed the balance. They've offered £100 compensation for the delays in the process of referring the matter to an external debt collector. They've also offered a further £50 to reflect that their FRL wasn't a thorough response. And I think that's a reasonable response to the failings here.

I know Mr K felt a higher amount should be paid for the inconvenience caused here and that the delay in pursuing the matter meant that the debt should be written off. But I don't agree. Mr K's had the benefit of the money at the time he was using this account. I think the compensation offered by John Lewis is reasonable reflection of the inconvenience here and the sort of award I'd have suggested had it not already been offered. And none of the failings here justifies writing off the balance legally due under the terms and conditions of this account.

I appreciate Mr K feels strongly about what's happened. But my decision brings to an end what we - in trying to resolve his dispute with John Lewis informally - can do for him. I'll leave it to Mr K to accept the £150 compensation John Lewis have offered if he wishes to do so.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 21 December 2021.

Annabel O'Sullivan
Ombudsman