

## **The complaint**

Mr C complains about the communication from Lantern Debt Recovery Services Ltd regarding a debt he owed.

## **What happened**

Mr C explains he had a debt with a lender, who I'll call O, and put in an irresponsible lending complaint. He says O told him they'd ask Lantern to stop contacting him regarding the debt while they investigated his complaint.

The complaint was made to O on 26 May 2021. So, Mr C was concerned he continued receiving correspondence from Lantern – including an email on 18 June 2021 which said Lantern had spoken to O who said he'd not raised a complaint.

Mr C called Lantern to find out what was going on and was told they'd not heard from O which he found confusing. After several calls from Mr C to Lantern and O, he said O had actually contacted Lantern, and he said their email on 18 June 2021 saying they hadn't heard from O was a mistake.

Mr C complained to Lantern about this, saying he'd spent two hours on the phone sorting this out when it was between them. He wanted compensation for the distress and upset caused.

Lantern said the email sent 18 June 2021 was generated incorrectly by them. They said Mr C's debt with O was consolidated under another debt which was marked as statute barred. They said after completing the actions on the other account, they incorrectly returned O's account as in collections rather than putting it back on hold while they waited for O to get in touch. Lantern added O didn't get in touch with them until 18 June 2021, so before then they didn't do anything wrong as they weren't aware he'd raised a complaint with O. They partially upheld Mr C's complaint and said sorry for what'd happened.

Unhappy with this Mr C asked us to look into things, saying Lantern hadn't addressed all of his issues. He mentioned another debt of his was marked as statute barred on 17 June 2021, but when an email was sent on 19 June 2021 it included this debt.

Lantern provided us with their file, and said they'd also reduced Mr C's debt by £194.27 as an apology for their handling of this complaint and another he'd made.

One of our Investigators looked into things and felt Lantern's apology for the mistake was fair. He also passed on what Lantern said about the offer.

Mr C didn't agree the offer was fair and said the reduction in balance was for another complaint, 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.

It's not in dispute Lantern made a mistake, but I need to set out the scope of that mistake, and then whether I think the apology they've made is sufficient.

The initial email that started Mr C's complaint was sent by Lantern on 18 June 2021. This email said they'd spoken to O, who said no complaint had been raised. As a consequence of this, Mr C ended up calling Lantern and O trying to sort out what'd happened – as he had raised a complaint with O on 26 May 2021.

But actually, it seems the first email sent by O to Lantern was dated 18 June 2021 at 3.55pm. So, when Mr C was calling Lantern it seems this was before the email had been sent – meaning Lantern hadn't heard from O or spoken to them and I suspect Mr C making these calls prompted that first email from O.

So, Lantern sent an email in error saying Mr C hadn't raised a dispute with O, when he actually had and they'd not checked. I can see this resulted in inconvenience for Mr C in having to make two hours worth of phone calls. But I also think those calls identified O hadn't contacted Lantern at this time – so potentially also avoided Lantern getting in touch to chase the debt which he wasn't expecting.

With that in mind, I think the apology Lantern have offered is fair.

In addition, I wanted to understand what Lantern had said about the reason for reducing the balance. I've listened to the call where Lantern say they're reducing the balance by £194.27. They say this is to reflect the experience Mr C has had with them.

Mr C does mention he's spent hours going back and forth trying to get the matter resolved. It's perhaps not as clear as it could be from Lantern's perspective – where they could have said they were applying this reduction in part because of this specific complaint – but Mr C has mentioned this complaint on that call. So it seems like Mr C does think this call where the reduction is first mentioned does relate to the same issues I've considered in this complaint.

I've heard on this call Mr C saying this reduction doesn't benefit him, and he wants to be paid compensation. But, the reduction of the debt does benefit him, in that he now owes less to Lantern to be repaid. This is compensation, albeit not paid directly to him.

Overall then I remain of the opinion the apology Lantern have offered is fair – and it seems at least part of the reduction in Mr C's debt is due to this complaint.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 26 July 2022.

Jon Pearce  
**Ombudsman**