

The complaint

Mr M complains that Lowell Financial Ltd's is unfairly trying to recover a credit card debt.

What happened

Lowell says it bought a credit card debt in Mr M's name from the original lender (C) in December 2020. Both Lowell and C sent a Notice of Assignment (NOA) to Mr M's home address in January 2021 to confirm the outstanding balance and new arrangement. Lowell also took over responsibility for reporting a default on Mr M's credit file.

Mr M has explained that he contacted C to dispute the credit card debt was taken out by him before it sold the account to Lowell.

Mr M complained to Lowell and it sent him a final response in July 2021. Lowell said it had raised a complaint with C on Mr M's behalf. Lowell also said the account had been defaulted in April 2020, before it took ownership. Lowell didn't uphold Mr M's complaint.

Mr M referred the matter to this service and it was passed to an investigator. They thought Lowell had dealt with Mr M's complaint fairly and didn't ask it to take any further action. Mr M asked to appeal and said he'd contacted C about his concerns before it sold the debt to Lowell. Mr M also said C had failed to send Lowell evidence the debt was valid. As Mr M has asked to appeal, his complaint has been passed to me to make a decision.

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 know Mr M has raised a complaint about the circumstances under which his credit card with C was opened. That's a separate matter and in this decision I'm only looking at whether Lowell has treated Mr M fairly.

Lowell says it purchased the account from C and has referred Mr M's concerns that it was opened fraudulently on to the original lender. If that complaint is resolved in Mr M's favour I'd expect Lowell to work with C to put any settlement in place. But I'm satisfied I can look at whether Lowell has treated Mr M fairly since it purchased the credit card debt.

I've considered the information Lowell has provided and whether it's acted reasonably by asking Mr M to make payments to the debt. I note the outstanding balance as set out in Lowell's NOA matches the information provided by C. And Lowell also took over reporting the default from April 2020 on Mr M's credit file. In addition, Lowell has confirmed the account was opened with C in August 2019 and has provided evidence of the address it was registered at. That address matches the information Mr M has given this service. In my view, Lowell has provided clear information that shows it purchased the debt in question from C. So I'm satisfied there was a legitimate reason for Lowell to contact Mr M about the debt.

I'm sorry to disappoint Mr M but I haven't found that Lowell has treated him unfairly by contacting him for repayment of the debt it purchased from C. As I'm satisfied Lowell has dealt with Mr M's complaint fairly, I'm not telling it to do anything else.

My final decision

My decision is that I don't uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 6 April 2022.

Marco Manente
Ombudsman