

## **The complaint**

Mr W is unhappy that Lowell Financial Ltd pursued him for a debt and obtained a County Court Judgment (CCJ) against him.

## **What happened**

Mr W had several loans with another provider which were sold to Lowell in 2015. Lowell attempted to seek repayment of these from Mr W, but received no response to its letters and calls and so took further action to recover the debt. This eventually resulted in Lowell securing a CCJ against Mr W in 2017.

In 2021, the original lender of the loans contacted Lowell to say it would be buying back the loans. Lowell agreed to facilitate this but didn't take any action in relation to the CCJ. Mr W then contacted Lowell himself. He said that the information it was recording about the debt and the CCJ had caused him serious distress and had an impact on his financial position.

Lowell said that it had no reason to doubt the validity of the debts when it purchased them and sought repayment on that basis. It noted that the debt was made up of several loans, only one of which was being alleged as fraudulent. As the original lender hadn't been able to provide any evidence to support that the loan was fraudulent, Lowell didn't think it had any basis on which to apply for the CCJ to be set aside. But it agreed to pass the debt back to the original lender.

Mr W remained unhappy with this and brought his complaint to this service. One of our investigators looked into it and didn't feel that they could tell Lowell to do any more. They said that we didn't have the power as a service to tell Lowell to put aside the CCJ, where that wasn't an activity covered under the rules. Then they said that they didn't feel that Lowell could reasonably have known that the debt here was fraudulent at the point they bought it. As Mr W didn't raise any issues when Lowell first told him it had purchased it, she thought it was fair that it bought the loans and pursued them as it did.

Mr W disagreed and felt this was unfair, so the complaint has 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.

In terms of the CCJ, I can only agree with what our investigator has said here in terms of the limits of what we can do. A court has issued a CCJ for this debt and so the debt is legally owed. Now that's the case, the underlying agreement for the loan has merged with the CCJ the court issued. So Lowell is no longer pursuing the debt under the agreement, instead it is now enforcing the CCJ – which is a legal matter. That's not something that this service can interfere with, or an activity that we cover under the rules that apply to us. So I am unable to consider any issues around this.

I have looked at what Lowell did when it first purchased the loan and chased it prior to the

CCJ though. The information is limited because of the passing of time here. But from what I've seen there's nothing to suggest that Lowell could, or should have been aware that Mr W may not have taken this loan out before it received the contact from the original lender.

Lowell has explained that its normal process would be that checks were done, but because of the time that's passed, there's no record of this now. I can see why that may concern Mr W, but this doesn't automatically mean that there is no basis on which Lowell should have pursued him, or that any checks would have necessarily revealed that he may not have agreed to the loan.

But, what I have seen is that Lowell sent numerous letters to Mr W and called him on a number of occasions – but never received any contact from him disputing the balances or validity of these. In the absence of that, Lowell took further action to recover the debt, as it wasn't receiving payments it believed were due, or receiving any contact from Mr W.

I've considered why Mr W said that he didn't contact Lowell or respond to its letters and calls. But, in the absence of any contact at all, I think Lowell was entitled to think that it had purchased valid debts and that Mr W wasn't paying these. So I can't say that Lowell acted unfairly when it bought these debts and started pursuing them. There's no evidence to say it should have acted any differently.

Lowell has now agreed to pass the debt back to the original lender, even if it hasn't agreed to apply for the CCJ to be set aside. This is as much as I can expect of Lowell, given the limitations on what we can do here.

### **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 W to accept or reject my decision before 15 July 2022.

James Staples  
**Ombudsman**