

The complaint

Mr P complains that Lowell Financial Ltd reported a default on his credit file when it shouldn't have.

Mr P wants Lowell to remove the default and be held accountable for its actions.

What happened

In September 2021, Lowell Portfolio I Limited bought an account in Mr P's name and appointed Lowell Financial Ltd to manage it on its behalf. For ease, I will refer to Lowell Financial Ltd as "Lowell" and Lowell Portfolio I Ltd as "Lowell Portfolio" in my decision.

The account was sold to Lowell Portfolio by a business I will refer to as "P". P had already reported a default against Mr P.

Lowell wrote to Mr P using the address that P had provided but didn't hear back. In November 2021, Mr P contacted Lowell using a different email address to the one that P had provided. Lowell asked Mr P for some personal details to try and verify him. Mr P wasn't willing to share these with Lowell as he was concerned about the possibility of fraud.

After Mr P complained, Lowell sent a final response. It explained why it couldn't share information with him via email but that it could do so by post as it matched the address that P gave Lowell.

Mr P is unhappy that the investigator didn't recommend upholding his complaint. Mr P says Lowell hasn't provided evidence that it wrote to him and that if it had, he would've cleared things up much more quickly.

Mr P thinks it was right for him not to give Lowell his date of birth as he had no knowledge of them. Mr P is unhappy that despite him telling the credit reference agencies that the debt wasn't his, Lowell kept repeating that the information was correct. Mr P is concerned that P could promptly confirm to this service that the debt didn't belong to him when Lowell claims it made repeated attempts to find this out.

Mr P told us that as of April 2022, the default still appeared on his credit file.

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 realise that I've summarised this complaint in less detail than the parties and I've done so using my own words. I've concentrated on what I consider to be the key issues. The rules that govern this service allow me to do so. But this doesn't mean that I've not considered everything that both parties have given to me.

I appreciate that Mr P was unhappy to see a default in the name of a business he knew nothing about. To reach my decision, I have considered whether it was reasonable of Lowell to report the default based on the information it held at the time. And whether Lowell dealt with Mr P's concerns fairly once he raised them.

I'm satisfied that Lowell Portfolio bought the debt from P in 2021. Although Mr P might not recall seeing the notice of assignment, Lowell has given us evidence that it sent the notice to him using the address that P had provided. I consider this was enough to show that Lowell Portfolio owned the debt. And that it was reasonable for Lowell Portfolio to appoint Lowell to collect the debt on its behalf and for Lowell to report the existing default.

Turning to the question of how Lowell responded when Mr P raised his concerns, again, I can't say that Lowell made a mistake. Although Mr P told Lowell the debt had nothing to do with him, he did so using a different email address to the one P had provided. I can see why Lowell wanted to verify Mr P's identity first.

I can also understand Mr P's reluctance to share his details with Lowell, particularly when we are always being warned about scams. But without verifying Mr P first, Lowell felt it couldn't continue discussing the account by email. This also explains why Lowell told the credit reference agencies that it couldn't share information with Mr P by email without completing security checks with him.

After Mr P raised a formal complaint, Lowell says it queried the debt with P. This is what I would've expected from Lowell. As P appears to have confirmed the debt belonged to Mr P, I can't say that Lowell was wrong not to uphold his complaint at this point. Or that Lowell should've taken steps to remove the default at this point.

Lowell sent a final response to Mr P using the address provided by P. This meant it could share details of the debt. I appreciate this was frustrating for Mr P as he points out he could've sorted things out if he'd had this information sooner. But for all the reasons I've outlined above, I don't find this was Lowell's fault.

As Mr P gave this service evidence to support what he was saying about not owing any debt to P, the investigator shared this with P. I think this probably explains why this service was able to promptly resolve the issue with P.

After P confirmed to this service that Mr P didn't owe the debt, Lowell removed the default and confirmed this in writing to Mr P at the end of April 2022. As I've not found that Lowell acted unreasonably towards Mr P, I don't require it to take any further action to resolve his complaint. I appreciate that this is likely to disappoint Mr P who is understandably frustrated with the whole situation.

The investigator told Mr P that he can always complain to P. I leave it with Mr P to decide whether to take this step if he hasn't already done so.

My final decision

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 8 August 2022.

Gemma Bowen
Ombudsman