

## **The complaint**

Mr A complains about Lantern Debt Recovery Services Ltd's customer service regarding a debt before they took him to court.

## **What happened**

My understanding is Mr A took out a loan with a company I'll call P in 2012. Mr A wanted to complain the loan was unaffordable, but before he could P went into administration. Mr A's loan was sold to Lantern – this means Lantern are now the legal owner of the debt.

Mr A says he raised concerns with Lantern about the potential mis-sale of the loan but they ignored him. Instead, they applied to the courts for a County Court Judgment (CCJ) for the outstanding amount – which was granted.

Unhappy with Lantern's actions Mr A contacted our service – and we raised the complaint on his behalf in August 2021.

Lantern said they hold one account for Mr A which was sold to them in December 2017. They said they accepted a settlement offer of £600, but this amount wasn't paid so they instructed their solicitors – who ultimately obtained a CCJ on their behalf. Lantern also said they weren't told about the dispute with P until after the CCJ had been acquired.

Unhappy with this Mr A asked us to look into things, reiterating he'd contacted them multiple times before the CCJ was entered about the dispute with P – mainly over the phone. And asking for the CCJ to be removed given the poor customer service he received.

One of Investigators considered things – he explained we couldn't direct Lantern to remove the CCJ, as a court had decided it should be applied so only a court can remove it. But, he felt compensation of £150 was fair for Lantern to pay because of their poor customer service.

Mr A accepted this, but Lantern didn't reply, 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.

I think it's important to explain our Investigator asked Lantern for information on many occasions including:

- 10 November 2022 – asking for information
- 24 November 2022 – asking for information again
- 1 December 2022 – explaining will progress the case without the information if it's not provided
- 9 December 2022 – issued an outcome awarding the £150 compensation I've referred to above with a deadline of 23 December 2022
- 23 December 2022 – asked for a reply to the outcome with a deadline of 6 January 2023 and confirmation the case would be passed for an Ombudsman's decision if no reply
- 6 January 2023 – as no reply had been received, the case was prepared for an Ombudsman and Lantern, along with Mr A, were notified of this

Like our Investigator I can't consider the CCJ or whether it should or shouldn't be applied – only a court could reconsider this. But, I can consider Lantern's actions up to this point.

Mr A has told us he was in communication with Lantern before the CCJ was issued and did tell them he'd raised a dispute. Mr A has also said he'd raised these concerns over the phone with Lantern. If true, I'd expect Lantern to have provided Mr A with good customer service.

Given that Mr A said he'd primarily raised these concerns over the phone, the only way for me to determine if he did or didn't receive good customer service before the CCJ was issued is if Lantern provide their information to us – including their contact notes, and recordings of phone calls. All of which our Investigator asked for and, as set out above, Lantern failed to.

It wouldn't be right to simply uphold this complaint purely because Lantern haven't replied. Despite this disappointing lack of reply, I'm required to decide what is fair and reasonable in all the circumstances of the case – relying on the information I do have.

Here, that isn't as much as usual, but that's only because Lantern haven't replied. So, given the amount of opportunities they've had, I think it's only fair to go ahead and consider what a fair outcome would be.

Having done so, I do agree £150 is fair. Mr A is distressed by the application of the CCJ. I can't decide if it should or shouldn't have been granted. But his distress is exacerbated by his firm belief he told Lantern about the dispute with P and his thought things should have been handled differently.

Mr A has said Lantern took him to court too soon. I'm not going to decide on this, because it's part and parcel of what happened in court. But alongside that he's also raised customer service issues about how they've dealt with his contacts – and this I can look at.

Mr A has said in his communications with Lantern he's been ignored. Given the lack of information from Lantern, I'm persuaded by Mr A's recollection of what's happened. Because of that, I'll be upholding the complaint. I can see our Investigator awarded £150, and in all the circumstances of this case I think that's fair.

### **My final decision**

For the reasons I've explained above I uphold this complaint and require Lantern Debt Recovery Services Ltd to pay Mr A £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 7 February 2023.

Jon Pearce  
**Ombudsman**