

The complaint

Miss S complains Lantern Debt Recovery Services Ltd trading as Lantern started getting in touch about a debt which she didn't know if it was hers. She's also unhappy with Lantern's responses which she's said are confusing – and have mentioned different companies.

What happened

As I understand it, Lantern bought this debt in July 2021, and started contacting Miss S shortly afterwards. The amount of the debt is £830.54, and is for a short-term loan with a company who I'll refer to as P – P have since gone into liquidation. Statements show the loan was advanced in May 2017, with the account seemingly defaulting in September 2017.

As Miss S didn't recognise the debt, she contacted Lantern for information about it and, not receiving satisfactory answers, she complained to them.

Lantern said Miss S had requested a Subject Access Request (SAR) and they provided everything they had for her. In response, she asked about Lantern providing additional information such as bank details and identification for whoever took out the loan. Lantern said due to a system error their response explaining they didn't hold these documents wasn't actually sent to Miss S – which meant she had to keep contacting them. They said sorry for this.

Overall, Lantern said they were satisfied they had enough evidence to show Miss S was liable for the outstanding debt, but said they were happy to complete a fraud investigation if required – she just needed to let them know.

Unhappy with their response, Miss S asked us to look into things.

One of our Investigator's did so, and ultimately didn't uphold the complaint.

Miss S wasn't happy with their outcome, 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 helpful to firstly explain the roles and responsibilities of the two different parties involved in this complaint.

P are who the loan was originally taken out with. They were primarily responsible for ensuring they were lending to the right person, and for carrying out all the checks.

Lantern are the debt purchaser. They bought the account after the loan was likely defaulted in September 2017.

Debt purchasers aren't responsible for any checks which might be required to lend someone some money. Instead, they simply need to be reasonably sure they're contacting the right person about the debt and asking them to fairly repay the money.

Here, Lantern have provided a copy of the consumer credit agreement (CCA), and a statement of the account. Both of these show Miss S' name – and this is the common information debt purchasers are able to provide. So, at face value, I think they've acted fairly in asking Miss S to repay the debt.

I'm aware Miss S has asked for more information, such as the bank account details the money was paid into, and the identification obtained when the loan was granted. But, this is information I'd only expect the lender to be able to provide – and unfortunately P, the original lender, have gone into liquidation. That means Lantern aren't able to get any more information than they already hold and, as I've explained above, I'm satisfied what Lantern do hold (the CCA, and a statement of the account) is reasonable for them to ask Miss S to repay the debt. So, I can't say Lantern have done anything wrong by not providing this information, as they don't have it and can't get it.

I'm also aware Miss S has been frustrated at the lack of replies from Lantern when she's contacted them. I can see in Lantern's final response letter they have said sorry for this. I can see Miss S doesn't think this sorry means anything, because Lantern haven't provided the bank account and identification she's asked for, but as I've explained above I don't think at this stage they can do anything more.

I can see Lantern have offered on several occasions to carry out a fraud review – and have said Miss S needs to complete their fraud form to do so. I've also seen Miss S explain she'd get in touch with Lantern directly to arrange this, so there isn't anything for Lantern to do on this point until Miss S gets in touch.

Overall then, I think Lantern have acted fairly in asking Miss S to repay the debt, aren't likely going to be able to provide the documents she's asked for, and have said sorry for their errors in replying to her. Because of that, I don't require Lantern to do anything further.

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 Miss S to accept or reject my decision before 25 July 2023.

Jon Pearce
Ombudsman