

The complaint

Mr O complains that Lowell Portfolio I Ltd is unfairly pursuing him for an outstanding debt.

What happened

Lowell purchased a credit card debt in Mr O's name from a business I'll call V in September 2020 and sent him a Notice of Assignment to confirm the new arrangements. Mr O contacted Lowell and initially offered payments of 50p a month. In July 2021 Lowell says Mr O notified it he was homeless and collections activity was temporarily placed on hold. Further contact from Mr O led to additional holds being placed on the account by Lowell.

Last year, Mr O complained to Lowell and it issued a final response on 6 October 2022. Lowell said the credit card debt remained outstanding and that it had been sold by V after it was closed at default.

Mr O referred his complaint to this service and raised concerns that the debt had already been repaid with V. Mr O also said he'd been the victim of identity fraud and that the debt should've been written off as a result. The complaint was passed to an investigator who contacted V for further information. V confirmed that Mr O had held a credit card that had been closed at default with an outstanding balance of £610. And V confirmed the balance was sold to Lowell at which point its entry on Mr O's credit file was marked as satisfied. But V explained the credit card balance remained outstanding and had been sold to Lowell to collect.

Our investigator thought Lowell had dealt with Mr O's complaint fairly and didn't ask it to take any further action. Mr O asked to appeal and forwarded a large amount of information to support his view that he'd been the victim of fraud in the past and that Lowell's account should be written off. As Mr O 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'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

In response to the investigator, Mr O has sent us lots of documents and information concerning problems he's experienced over the years. I understand why Mr O has provided this information. But we are an informal dispute resolution service and can only investigate a complaint about a particular business' actions. So in this decision I'm only able to look at

how Lowell has treated Mr O and whether it's reasonably contacted him to request repayment of the outstanding balance.

Lowell says it purchased a defaulted credit card debt from V at the end of September 2020. The original investigator contacted V directly and it confirmed a credit card in Mr O's name had been opened in October 2017 with payments being made until 2019. V also confirmed the account was closed at default with a balance of £610.01 and that it had marked the debt as satisfied when it was sold to Lowell. V confirmed Lowell then took responsibility for reporting the outstanding balance.

Mr O has forwarded a screenshot of his credit file that show's V's account is noted as satisfied. But that reflects the sale of the debt to Lowell, in line with what V told the investigator when it responded to their enquiries. From V's perspective, the account balance was satisfied when the debt was sold but not because payments were made in line with the credit agreement.

I'm sorry to disappoint Mr O but I'm satisfied that Lowell is contacting him regarding an outstanding credit card debt in his name. I haven't seen anything that shows Lowell has been notified the debt was written off by the original lender or that it agreed to do so directly.

Mr O's raised concerns over being the victim of fraud. But the account was opened with the original lender then sold to Lowell after the credit agreement was terminated. If Mr O has concerns that the account came about due to identity fraud, he has the option of referring a complaint to V. But I'm satisfied Lowell has provided evidence that fairly links Mr O to the outstanding balance. I haven't been persuaded that it's treated Mr O unfairly by contacting him for repayment.

I'm very sorry to disappoint Mr O as I can see how strongly he feels in this matter. But I've reviewed everything Mr O has said and sent us along with Lowell's file submission. Having done so, I haven't been persuaded that Lowell's made a mistake or acted unfairly when contacting Mr O about the outstanding debt. As I'm satisfied Lowell has dealt with Mr O's complaint fairly I'm not telling it to do anything else.

My final decision

My decision is that I don't uphold Mr O's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 23 June 2023.

Marco Manente
Ombudsman