

The complaint

Miss R complains that Lowell Portfolio I Ltd say she owes a debt relating to a credit card account.

What happened

Miss R had a credit card account with a company I'll refer to as "V". Lowell purchased the outstanding debt on the credit card account in September 2019.

Miss R says that there shouldn't be an outstanding balance owed to Lowell – that's because her late father paid off the debt in 2018 when it was still with V.

Lowell told Miss R that it had contacted V to ask if the debt had been repaid. It said V confirmed it had received a payment of £150 in July 2018. V told Lowell that they didn't have a record of the account having been repaid in full or a settlement agreed.

The Investigator looked into what both parties had said. The Investigator explained to Miss R that this service couldn't consider her complaint about the debt Lowell now owns that was in relation to two telecommunication accounts – that's because this service can only consider complaints about debt collecting where the original debt was owed under a regulated credit agreement. However, the Investigator let Miss R know that we could look at her complaint about the debt that originated with V. Upon review of all the available evidence, the Investigator thought that there was an outstanding balance owed on the account when Lowell purchased the debt, and so they didn't think Lowell had done anything wrong.

Miss R didn't agree. She felt she'd provided sufficient evidence to prove that the outstanding balance had been repaid prior to Lowell purchasing the debt. And she asked for an Ombudsman to review matters.

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.

Having considered everything available to me, I won't be upholding Miss R's complaint. I appreciate this decision will come as a disappointment to Miss R – as it's clear how strongly she feels about what has happened. However, I will explain my reasons for the decision below.

In reaching my findings, I haven't commented on every point of concern Miss R has raised. I don't intend to offend her by not doing so or mean any disrespect in taking this approach. This reflects the informal nature of this service. Instead, I've focussed on the key issues I think I need to consider, in deciding on whether Lowell did anything wrong.

The crux of the matter here is whether it was reasonable of Lowell to continue to pursue Miss R for a debt which she says was paid off in 2018.

I can see that Lowell contacted V after Miss R let it know that the debt had been paid back in 2018. I can see V responded to Lowell to say that the debt hadn't been repaid in full and that the last payment received was in July 2018 for £150. The last payment received by V of £150 wasn't enough to clear the outstanding balance on the account – and there was still £546.73 outstanding.

I have looked at all of the evidence provided by Miss R. I can see from the evidence she's provided that multiple payments were made to V. But none of the evidence Miss R has provided shows me that the payments made to the account cleared the full amount due.

Given that I haven't seen any evidence to show the balance was repaid prior to Lowell purchasing the debt, I can't fairly say that Lowell has done anything wrong in reporting that there is still an outstanding balance due.

Any complaint Miss R has about what happened prior to Lowell purchasing the account will need to be directed to V.

I note that in response to the Investigators view, Miss R said that Lowell admitted to sending a payment of £545 to the telecommunication company instead of V. I have read the letter Miss R refers to, but I don't think Lowell has said this. Lowell has explained in the letter that it checked with the telecommunications companies and V to see if the companies had received a payment – but none of the companies had received a payment of £545.

I'm sorry to disappoint Miss R – I know how important this issue is to her. And I know that she is adamant the account with V was repaid by her late father. But based on the evidence I've seen, I can't agree that the account has been repaid in full prior to Lowell becoming the legal owners of the debt, and so I can't fairly conclude that Lowell has done anything wrong in saying Miss R still owes a balance on the account.

My final decision

For the reasons set out above, I don't uphold Miss R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 11 December 2023.

Sophie Wilkinson
Ombudsman