

The complaint

Mr E complains that Lantern Debt Recovery Services Ltd is asking him to repay debts when he has no money to do so.

What happened

Lantern Debt Recovery Services Ltd ("Lantern") acquired debts for four loans that were taken out by Mr E.

Mr E complained to Lantern in 2022 saying they should write the debts off as he was unable to pay anything towards them. Lantern replied on 13 May 2022 saying that, to consider this, they'd need Mr E to complete and return an up-to-date budget planner setting out his income and expenditure.

Mr E made a further complaint to Lantern as he wasn't happy they were continuing to ask him to make payments towards the debts when he had no money to do so. Lantern replied on 26 January 2023 saying they hadn't received the budget planner and details of Mr E's income and expenditure to review his financial situation, so felt they hadn't made any errors in asking him to contact them.

Mr E referred his complaint to us. Our investigator said we couldn't investigate the events that occurred prior to Lantern's final response of 13 May 2022 as Mr E hadn't referred this to us within the required six months given in that response and that no exceptional circumstances had prevented him from doing so. Our investigator then went on to consider what had happened that led to Lantern sending their second final response on 26 January 2023, and said he was satisfied they had acted reasonably. He said Lantern had showed forbearance by placing Mr E's accounts on hold on multiple occasions to allow him breathing space and that it wasn't unreasonable for them to ask him to provide details so they could understand his financial situation.

Mr E didn't agree. He said he has no money to pay Lantern and that situation won't change. So, his complaint has been passed to me for 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 sorry to hear that Mr E's circumstances are such that he feels he can't pay Lantern any money. I don't though think it's been unreasonable for Lantern to have asked him to fill out their budget planner and give details of his income and expenditure to help them understand his situation. I've also seen that Lantern has put Mr E's accounts on hold on several occasions to help give him time to do this rather than continuing to contact him. I've also seen that Lantern gave Mr E details of debt advice and gambling charities to see if that might provide him with some help.

Overall, I find Lantern has acted with forbearance and due consideration towards Mr E's situation as they are required and tried to help and support him in respect of these debts. I would urge Mr E to send the budget planner to Lantern so they can assess what support they can give him now. They've previously offered to consider writing off Mr E's debts if he can show that his situation warrants this. That doesn't seem unreasonable to me. I don't find this means that Lantern *should* write the debts off, but they should consider what practical, reasonable options are appropriate once Mr E has sent them details of his financial situation. If Mr E isn't happy with their response once he has done this, then he can raise a further complaint with Lantern and refer the matter to us in due course if he wishes.

I would just add here that Mr E has complained to Lantern twice about the same issue, which is that they shouldn't be contacting him for payment when he has no money. I see little benefit in assessing whether Mr E referred his complaint to us in time following Lantern's final response of 13 May 2022, when the issues he has asked us to consider are essentially the same. That will only needlessly delay matters. If I had deemed the first complaint to have been made in time or not, it would still leave Mr E in the same position now bearing in mind I find that Lantern hasn't acted unreasonably in asking him to contact them.

My final decision

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 20 October 2023.

Daniel Picken
Ombudsman