

The complaint

Mr G complains about contact from Lowell Financial Ltd in relation to a debt that was included in his bankruptcy. Mr G also complains that Lowell declined a request to delete his personal information.

What happened

Mr G had a credit card that was closed at default and sold to a business I'll refer to as H in October 2015. Mr G's explained that in 2016 he was made bankrupt and that the credit card debt H owned was included. Mr G says he was discharged from his bankruptcy in 2017 which should've meant he was no longer liable for further repayments.

In October 2022 H was purchased by Lowell. On 16 May 2023 both H and Lowell wrote to Mr G to advise his account had been transferred following the restructure. A third party business was appointed by Lowell to try and contact Mr G about the outstanding balance.

Mr G contacted Lowell to complain and explained that the debt was included in his bankruptcy. Mr G also said it was statute barred and asked Lowell to delete all his personal data.

Lowell issued an initial final response on 27 July 2023 and said that as the account remained open on its systems it needed to retain Mr G's data. As a result, Lowell didn't agree to delete Mr G's information from its systems. Lowell issued a follow up final response on 6 September 2023 and said that whilst the debt was included in Mr G's bankruptcy it hadn't received notice to confirm it had ended from the bankruptcy administrator. As a result, Mr G's account remained open on H's systems and was transferred to Lowell last year when the company was purchased. Lowell confirmed the account had been returned by its agents and closed. But Lowell said it was still obliged to retain information about Mr G to meet its legal and regulatory obligations. Lowell didn't uphold Mr G's complaint.

An investigator at this service looked at Mr G's complaint. They thought Lowell had taken reasonable steps to investigate Mr G's concerns and were satisfied it wasn't aware he had been discharged from his bankruptcy in 2017. The investigator thought the decision to close the account after Mr G's contact was fair in the circumstances. The investigator added that the Financial Ombudsman Service doesn't consider complaints about the way businesses process and retain personal information.

Mr G asked to appeal so 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.

Mr G's case falls broadly into two parts. I understand Mr G was discharged from bankruptcy in 2017 which meant he was no longer liable for debts that were included. Lowell's confirmed that the credit card debt was included in the bankruptcy whilst the account was still held by

H. But no contact to notify H that Mr G had been discharged from his bankruptcy was received in 2017. As a result, the account remained open on H's systems. So whilst I don't doubt that Mr G was discharged from bankruptcy in 2017 as he says, I haven't seen any evidence that shows H was notified.

When Lowell acquired H, Mr G's account was transferred to it. Lowell went on to attempt contact with Mr G and both it and H sent Notices of Assignment to confirm the new arrangement. A short time later, Mr G raised concerns with how his data he been used and transferred between different businesses. And I can see Lowell sent a response to those concerns to Mr G on 27 July 2023.

Further contact with Mr G took place and Lowell investigated his claim that the bankruptcy had been discharged meaning he's no longer liable for the credit card debt. I'm pleased Lowell accepted that was the case and took steps to close Mr G's account on its systems. Lowell's final response dated 6 September 2023 confirmed Mr G is not liable for further payments and that his account has been closed. As I've said above, I haven't seen anything that shows H was notified in 2017. In my view, Lowell took reasonable steps to investigate what Mr G told it and ultimately agreed he isn't liable for further repayments. I haven't seen any evidence of unreasonable delays or that Lowell failed to treat Mr G fairly after he contacted it to complain about the debt it was seeking to collect.

Mr G's explained that he doesn't think Lowell has a legitimate reason to retain his data. Lowell's explained that when it first responded to Mr G on 27 July 2023 the account remained open on its systems. So, its response was made on that basis. But Lowell's final response dated 6 September 2023 confirmed the account has now been closed. And Lowell says that despite the account being closed it's still obliged to retain Mr G's data due to regulatory and legal obligations.

I understand Mr G has already referred a complaint about how Lowell has handled and retained his data to the Information Commissioner's Office. I'd like to explain that whilst we can look at whether a business has dealt with a customer fairly or not, complaints about the specific way information has been processed or stored aren't something we can deal with in its own right. Whilst I note Mr G's comments, Lowell has explained why it is retaining information about him despite his account being closed. I haven't seen anything that shows Lowell treated Mr G unfairly. Mr G has the option of taking his concerns about the way his information has been processed and retained forward with the Information Commissioner's Office.

I'm sorry to disappoint Mr G but as I'm satisfied Lowell dealt with his complaint fairly and took action to close the account in question, I'm not telling it to do anything else.

My final decision

My decision is that I don't uphold Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 6 November 2023.

Marco Manente
Ombudsman