

## The complaint

Mr N has complained that Lowell Financial Ltd recorded an incorrect address link on his credit file.

## What happened

Both sides are most familiar with the case, so I'll summarise what happened in brief.

In March 2022, Lowell took over the debt of someone who had a similar name and the same date of birth as Mr N. They incorrectly traced the debtor to Mr N, and linked Mr N's former address to the debtor's address. This caused the debtor's accounts to show on Mr N's credit file, which included substantial negative information.

Mr N reported this to Lowell. Lowell made a series of errors in the months that followed. For example, they removed the link only to re-add it, incorrectly defended the link by claiming that Mr N was on the voter's roll at the debtor's address, denied adding the link and said they couldn't remove it, linked the debtor to Mr N's current address too, and only removed one address link but not the other.

Eventually, in October 2023, Lowell removed the address links in full. They've apologised and offered £200 compensation.

In the meantime, Mr N was turned down for a mortgage agreement in principle. The same lender then granted him an agreement in principle a few months later, after Lowell's links were removed.

Our investigator looked into things independently and recommended Lowell pay Mr N £350 compensation. Mr N felt this wasn't sufficient, so the case has been passed to me to decide.

I sent Mr N and Lowell a provisional decision on 28 February 2024, to explain why I thought the complaint should be upheld. In that decision, I said:

*Based on what I've seen so far, I'm satisfied that Lowell added the address links in question, starting from March 2022. This was confirmed by a credit reference agency, who provided Lowell's raw data to substantiate this. And Lowell have accepted fault. I'm glad to hear that Lowell have now corrected the problem.*

*It seems most likely that Lowell's error delayed Mr N in getting a mortgage. Lowell's address links meant that someone else's substantial negative information was displayed on Mr N's credit file. The mortgage lender confirmed that their initial rejection of an agreement in principle was due to Mr N's credit score being too low. And after the incorrect information was removed, that same lender then granted Mr N the agreement in principle.*

*With that said, it's difficult to see what specific financial losses this caused. Mr N only applied for an agreement in principle, not a particular product for a particular property. And in the months between his initial application and his successful one, that lender's interest rates barely changed. Indeed, I've looked at that lender's mortgage product rates during the time of Mr N's initial application for an agreement in principle, and the time of his successful application. At the time of his successful application, that lender's average interest rate was 0.02% lower. So it seems most likely that Mr N's mortgage deal will be about the same or even slightly better than the one he would've got had Lowell not caused a delay. And Mr N hasn't set out any other specific financial losses.*

*Of course, I do see that Mr N was caused some real trouble and upset. Buying a home is a stressful process at the best of times, so I can absolutely understand why it would have been frustrating and upsetting to have the process delayed by several months. Further, it took over a year and a half for Lowell to properly resolve their errors on Mr N's credit file, which also involved a good deal of work from Mr N. I can certainly appreciate his frustration at Lowell doing things like saying they'd fixed the problem when they hadn't, or claiming the link wasn't theirs. And in the meantime, Mr N was pursued for someone else's debt.*

*When it comes to compensation, it's worth keeping in mind that we're not here to issue fines or to punish businesses. We have guidelines about what levels of compensation to award, and I need to be consistent with those. Here, I can see that Lowell caused Mr N some considerable distress, upset, and worry, along with significant inconvenience that took a good bit of effort to sort out, over a period of many months. So taking into account the impact this had on Mr N, I find that £550 compensation would be fair to put things right here.*

*I also understand that Mr N thinks Lowell sent another final response in December 2023. To clarify, they did not. Their final response to his complaint was issued in May 2023, and I can see that both Lowell and investigator sent him a copy of that. In case Mr N is referring to Lowell's reply to our investigator's view, I have attached a copy of that for him.*

*Lastly, I understand that Mr N would like us to change Lowell's processes. But we're not the regulator – that's the Financial Conduct Authority (FCA). So we don't decide how the industry works across the board, nor set their processes. I'm just here to look at the individual dispute between Mr N and Lowell.*

*I said I'd consider anything else anyone wanted to give me – so long as I received it by 27 March 2024. Lowell didn't add anything further. Mr N made a further submission, which I'll talk about below.*

## **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 N argued that he suffered financial losses because Lowell forced him into continuing to rely on rented accommodation since 2022. While I do understand Mr N's thinking, according to the evidence he sent us he only started applying for mortgages in summer 2023. And as I mentioned before, that was only for an agreement in principle. I do not know and cannot know what property or product Mr N would've got had he been able to apply earlier, as he was only at the very initial stages of the process.*

This is important, as in order to make an award for financial losses I'd need to know what the amount of the loss was, at least roughly. But Mr N's rent payments were not losses in and of themselves – they were payments for a service (providing and maintaining accommodation for him), and he received that service. The money was not simply lost as a whole. And Mr N didn't necessarily incur higher costs by renting. Again, we don't know what property or product Mr N might have got had he applied earlier, and it's quite possible that the cost of things like the mortgage, insurance, and paying for his own maintenance would've been higher than the cost of renting, depending on the rates, the state of the property, and so on. And as I set out in my provisional decision, the average mortgage product rate for Mr N's lender actually went down in the months that passed. So I can't fairly conclude that Mr N suffered any specific or estimated financial loss here. It would be too assumptive for me to do so – I have no reasonable basis on which to award any particular amounts.

Mr N also asked for more information about our methodology for awarding compensation for non-financial losses. I'll include a link to our online guidance in the cover letter for him. I understand he would like an exact breakdown of figures, but we don't look at compensation in that way – for example, we don't award a per-hour amount for someone's time, nor assign an arbitrary value to specific actions. Instead, we look at the overall impact that the business' mistake had on the customer, and make an overall award to help acknowledge that and put it right, based on the guidelines I need to be consistent with. The guidelines set out brackets with examples. It's worth keeping in mind that we're an informal alternative to the courts, here to resolve complaints quickly and with minimal formality. If Mr N would like his case to be looked at in the way a court would instead, he is able to reject my decision and take Lowell to court.

Here, I found that Mr N was caused considerable distress, upset and worry, along with significant inconvenience, over a number of months, which took some effort to sort out. So taking into the account the impact that Lowell's mistakes had on Mr N, along with the guidelines I need to follow, I still find that £550 compensation is fair to put things right here.

### **Putting things right**

Lowell Financial Ltd should pay Mr N £550 compensation in total.

### **My final decision**

I uphold this complaint and direct Lowell Financial Ltd to pay Mr N £550 compensation.

This final decision marks the end of our service's consideration of the case.

If Mr N accepts the final decision, Lowell Financial Ltd must pay the redress within 28 days of the date our service notifies them of the acceptance.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 30 April 2024.

Adam Charles  
**Ombudsman**