

The complaint

Mr D has complained about Lowell Portfolio I Ltd taking a regularly scheduled token payment while their contact was on hold.

What happened

This complaint surrounds a credit card account which was taken out in 1996, defaulted in 2003, and was eventually purchased by Lowell in March 2023. The balance was around £2,300.

There was an existing payment arrangement on the account of £2 per month, which had been in place since before Lowell owned the debt – going at least as far back as 2018. When Lowell took ownership of the account, the arrangement continued. In April and October 2023, Lowell wrote to Mr D to check whether the arrangement was still affordable for him, and explained that if he didn't want to change it he didn't need to reply and it would just continue. He didn't reply and the arrangement continued.

In February 2024, Mr D asked Lowell for a copy of his credit agreement and a statement. Lowell confirmed they'd ask the original lender for this, and in the meantime they'd put the account on hold, meaning they wouldn't contact Mr D to chase payments.

While Lowell were waiting for the original lender, Mr D's usual monthly payment of £2 came out under his direct debit, which he had not cancelled. Lowell then received the relevant documents from the original lender and passed them to Mr D.

Mr D complained. He felt that Lowell shouldn't have taken his agreed repayment while the account was on hold, he felt the documents weren't valid, and he argued the debt was unenforceable. Lowell didn't think they'd done anything wrong.

Mr D mentioned his health situation and Lowell offered to review this. They passed the matter to a specialist team, reviewed Mr D's health circumstances, and chose to close the account and write off the balance for Mr D. But Mr D feels Lowell haven't taken sufficient account of his health circumstances. He's also unhappy with their customer service.

Our Investigator looked into things independently and didn't uphold the complaint. Mr D didn't agree, so the complaint's been passed to me to decide.

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 can see that Lowell handled Mr D's request for documents appropriately. They asked the original lender for those documents in good time. There was a delay as they were waiting for the original lender to respond, but that wasn't Lowell's fault. Lowell received the appropriate credit agreement and statements and passed them to Mr D. The documents show that this was a genuine debt which Mr D owed, for which Lowell were entitled to take payments.

Mr D now argues that the documents or debt are not valid. However, the credit agreement provided is a photocopy of his original, in the correct format, filled out and signed by Mr D, with his correct details. And Mr D had previously repeatedly referred to the debt as being his and made payments towards it for years. I've found no good reason to think that these documents are invalid or that the debt wasn't Mr D's. And even if I had found as such, the solution would be for the debt to be written off – which Lowell have already done.

It seems there was a simple misunderstanding over the £2 repayment. Lowell said they wouldn't contact Mr D to request payment while waiting for the documents, i.e. they wouldn't send him chasers or take any enforcement action. They didn't mean they'd break the established payment arrangement. It was reasonable for them to stick to the payment arrangement while waiting for the documents. The payment they took was authorised: it was taken under the direct debit mandate Mr D had set up, under an agreed and longstanding payment arrangement, which Lowell had already checked twice that Mr D was still happy with, and there is no record that Mr D asked Lowell to stop his payments or that he cancelled the direct debit.

Mr D suggested the debt was unenforceable. Only a court can decide whether a debt is unenforceable or not – our service doesn't have the power to do that. Though even if the debt were unenforceable, it would not mean the debt ceased to exist. It would just mean that Lowell couldn't take any formal action against Mr D, such as applying for a court judgement. Lowell could still ask him to repay the money he owed, and could still take repayments under the agreed arrangement.

Further, even if I had agreed that Lowell shouldn't have taken the £2 repayment, I would not require them to do anything more as no substantial loss was caused to Mr D. The £2 was taken to repay a debt he genuinely owed, under a longstanding payment plan he'd agreed to and which Lowell had checked with him, based on what he could afford. And Lowell have already written off over £2,300 of debt which Mr D owed, which was kind of them. I can't see that they would fairly owe Mr D the £2 back.

I understand Mr D feels Lowell didn't take sufficient account of his health circumstances. He said he made them aware of his circumstances earlier. But when our Investigator asked him for evidence of this, he did not provide any, and the time period he referred to for when those conversations might've happened was from before Lowell owned the debt. As far as I can see from the contact records, once Mr D told Lowell about his circumstances, Lowell passed the account to a specialist team, reviewed things, and kindly wrote off a very substantial debt for Mr D. So as far as I can see, Lowell handled things well in that regard.

Lastly, I understand Mr D is unhappy with Lowell's customer service. But to clarify, their call centre staff were not required to give him their last names. The case handler was not required to put him through to a manager, and in any case I can see they spoke to management, who agreed that Lowell's final response was final and would not change. And Lowell are not responsible for the upsetting call Mr D had with a different, separate business.

My final decision

For the reasons I've explained, I do not uphold Mr D's complaint.

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 18 December 2024.

Adam Charles
Ombudsman