

The complaint

Mr D complains Lowell Portfolio I Ltd incorrectly reported missed payments on his credit file for a debt of his.

What happened

Lowell became responsible for Mr D's credit card debt with a company I'll refer to as C on 18 February 2016. This means Lowell are responsible for all facets of managing the ongoing debt – including reporting the conduct of the account to the credit reference agencies (CRAs).

Mr D found out Lowell were reporting that he was missing payments – when he said he wasn't. He complained to Lowell about this.

Lowell issued several responses related to this issue. In the first response, they agreed they shouldn't be reporting missed payments on Mr D's credit file. They arranged for them to be removed, and paid Mr D £75 compensation for this.

In the second response, Lowell said sorry for not explaining why they'd been reporting missed payments. They suggested the reason for the missed payments was due to a change in the way they were receiving payments. Initially, they said the payments were coming from a debt management plan – and when this finished, payments were being made directly by Mr D.

In the third response, Lowell said they couldn't find any evidence the debt management plan had ended, so any reference to this may be incorrect – but the missed payments had now been removed, and they couldn't add anything more to that point.

Unhappy with these responses, Mr D asked us to look into things. He explained there were 37 consecutive missed payments reported from October 2016 to November 2019 with one CRA, 20 missed payments reported with another – and there were further missed payments reported between November 2019 and July 2020. He said Lowell were being evasive about why this had happened, and they'd told him on the phone there was a problem with their software which resulted in some missed payments for certain accounts being reported incorrectly. Mr D also listed out further issues which I'd categorise as complaint handling issues. Overall, he wanted us to investigate the wider issues, and compensate him for the impact on his mental health, and increased costs for a mortgage.

One of our Investigators explained he couldn't look at the wider issues, as our role was to consider individual complaints. We also couldn't look at complaint handling issues, as they weren't something we could always consider under the rules we have to apply. In looking at Mr D's individual complaint, he felt Lowell had done enough by removing the missed payment markers and paying £75 compensation.

Mr D didn't accept this, explaining in detail the costs he's experienced in having to take out a more expensive mortgage. He's also talked about how this issue impacted his mental health.

As Mr D didn't accept our Investigators outcome, 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.

As I can see our Investigator has explained, our role is to consider the individual dispute raised. That means I can't ask Lowell questions about issues unrelated to Mr D's complaint – as that isn't within my remit. Additionally, I should explain it's not our role to get an answer to every question asked, instead it's to look at whether Lowell acted fairly when Mr D raised his concerns.

It's not in dispute Lowell made an error. They've accepted they shouldn't have reported missed payments on Mr D's credit file. I completely understand Mr D's desire to understand why and how this happened – but in line with the above I'll be focusing on the impact of this error.

Mr D talks in detail about the impact it's had on his mortgage – but I'm afraid I won't be compensating him for that. I say that because all the information I have shows Mr D complained in June 2023, and Lowell confirmed they'd removed all missed payments around a month later in July 2023. I don't doubt that month was incredibly stressful – but Mr D has said this issue prevented him getting a mortgage over many months. Given the issue was resolved within one month of Mr D complaining, it's hard for me to hold Lowell responsible for any ongoing impact after the missed payments were removed.

In addition, I thank Mr D for explaining the impact this issue had on his mental health. I've read what he told us carefully. I've not repeated it here for his privacy, as this decision is published, but I have factored it into the overall outcome.

I realise there have then been a number of complaint handling issues Mr D has raised, but as our Investigator said I can't consider those. So, in looking at what I can consider, while I think it's very poor Lowell were reporting missed payments they did put the matter right quickly once notified. Overall, I think Lowell removing the missed payments as quickly as they did and offering Mr D £75 is fair. If this money has already been paid, then Lowell don't need to do anything further – if the money hasn't been paid, then if Mr D accepts this decision, it should be paid to him.

My final decision

Lowell Portfolio I Ltd have made an offer of £75 that I consider is fair in all the circumstances of this case.

So, my decision is I require Lowell Portfolio I Ltd to pay Mr D £75 compensation – if they haven't already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 4 March 2025.

Jon Pearce
Ombudsman