

The complaint

Mr P complains Lowell Portfolio I Limited contacted him regarding his debt at an old address.

What happened

Mr P had a credit card with a company I'll refer to as M. M sold the account to Lowell after the account was defaulted and M said Mr P didn't reply to their letters. Mr P says he didn't get M's letters, or Lowell's, but found out about the debt when he got a call from someone who lived at the property he previously lived at. Mr P said his reputation was damaged, because it looked like he was taking out credit at an old address.

Lowell said the contact details of their customers are provided by companies such as M – and to check the details are correct they use the services of credit reference agencies (CRAs), amongst others. The CRA information showed two active accounts reporting at the address Mr P says he hasn't lived at for a long time. Lowell said they were sorry for contacting him at an out of date address, but overall they didn't think they'd done anything wrong.

Unhappy with this Mr P asked us to look into things.

One of our Investigators did so, and found Lowell were told the correct address by M, and he felt they should have used that. So, he awarded Mr P £100 compensation.

Lowell accepted this, but Mr P didn't – 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 do think Lowell should have taken more care in deciding what address to use for Mr P. They'd been provided with an up to date address for him by M, and although Mr P had active accounts at the previous address, I think they could have done more to satisfy themselves of the correct address before writing out.

So, I'm satisfied Lowell have made an error, and that error has caused frustration and embarrassment to Mr P.

Mr P hasn't explained why he thinks £100 isn't reasonable when replying to our Investigator, so I've looked carefully at his comments when he first contacted us. He said he'd been impacted financially because this account was showing on his credit history, his mental health has been impacted as he's had countless sleepless nights trying to chase M and Lowell to solve the issue – and his reputation has been damaged.

In terms of the financial impact, I think the fact the account had already been defaulted before it'd been passed to Lowell likely has had more impact on his credit file – and is of more relevance to lenders – than him not replying to Lowell's contact. I say that because,

unless Mr P were to come to an agreement to repay the debt with Lowell, then his credit file wouldn't really change.

I don't doubt this issue has caused Mr P sleepless nights, but he attributes these both to M and Lowell. Although I do think Lowell have made an error, I can't ignore Mr P does still have active accounts at the address he doesn't live at. I think this, in itself, is suggestive of a wider issue he may need to resolve with the CRAs. So overall I think Lowell's 'contribution', for the want of a better phrase, is relatively minimal in context.

In respect of his reputation, I can understand why he is unhappy about this. Whoever opened Mr P's post shouldn't have done so, as it wouldn't have been addressed to them. But, this wouldn't have happened had Lowell taken extra care in the first instance.

Taking all of this into account, including our published approach to distress and inconvenience awards, I'm satisfied £100 is fair compensation for the issues Mr P has experienced.

My final decision

For the reasons I've explained above I uphold this complaint and require Lowell Portfolio I Limited to pay Mr P £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 19 March 2025.

Jon Pearce
Ombudsman