

The complaint

Mr F complains that Lowell Portfolio I LTD have not accepted his reduced settlement offer on two debts they own. And they asked him to take additional steps before considering his proposal.

What happened

Mr F contacted Lowell in August 2024, to make an offer to settle two outstanding debts they owned, at a reduced rate.

Lowell responded and asked Mr F the reason he'd requested a reduced settlement and how he was funding it. They asked him to complete an income and expenditure form (I&E) so they could consider his offer.

Mr F responded, explaining his finances were personal and didn't consider he should have to tell Lowell where the funds were from. He also said he wouldn't complete the I&E form.

Lowell reiterated their request, saying they had a duty to ensure any settlement was affordable for Mr F. Mr F confirmed the money had been left to him in a relatives will – but still considered his finances to be personal so wouldn't complete the I&E form.

With no resolution, Lowell considered Mr F's concerns and issued their final response in September 2024. In summary they said they are required to ensure any repayment is affordable and as such require a full understanding of his finances and source of income. Without this they were unable to consider the settlement offer he'd made.

Unhappy with Lowell's response, Mr F brought his complaint to our service. While the complaint was with us, Lowell reviewed matters and made an offer of £50. Saying they'd needed to ask Mr F about his source or funds and affordability but had missed the opportunity to consider his settlement offers when he later confirmed the funds were as a result of an inheritance from a relative's will. They also said they'd now accept the discounted payments offered – subject to further confirmation of the source of funds and that it remained affordable to him.

Mr F didn't agree, saying this was the same request Lowell had previously made which he considered to be unjust.

An Investigator here reviewed matters but considered Lowell's offer fairly resolved matters. They said Lowell were required to ask customers to provide evidence of where funds had originated from. And it was reasonable for them to ensure any repayments were affordable.

As this didn't resolve matters for Mr F the complaint was 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.

In considering what is fair and reasonable, I've taken into account the relevant industry rules and guidance, and what would be considered as good industry practice.

To ensure financial businesses, such as Lowell, comply with anti-money laundering regulations, they have a legal obligation to understand where certain funds have come from.

Following Mr F's settlement offers, Lowell asked him to confirm the source of funds before they could consider the offers. While Mr F considers this personal information, given Lowell's legal obligations, this seems reasonable and as I'd expect, so I can't say they've made an error in asking for this information.

They also asked Mr F to complete an I&E form. Lowell explained this was to ensure the repayments were affordable for him.

When considering a repayment plan, The Information Commissioner's Office says businesses must obtain:

"sufficient and verifiable information has been obtained to establish:

- *why the debtor cannot pay.*
- *how they intend to pay the debt.*
- *how they have calculated the affordability of their proposals."*

While this was a proposal to settle Mr F's outstanding debts, I think it's reasonable Lowell's processes meant they needed to carry out similar checks.

I understand Mr F considers it to be his responsibility as to whether he could afford to offer the amounts he did – but I'd still expect Lowell to ensure he wasn't entering further financial difficulties to make the repayments. As such, I think it was also fair of them to ask for this information.

As Mr F initially didn't provide the information Lowell asked for, I can't say they made an error in not initially considering the settlement offers he made.

However, in his email of 9 September 2024, Mr F explained to Lowell he'd been left the money in a relatives will. Here Lowell have accepted Mr F provided sufficient information for them to consider the offers he'd made, but they didn't do this. To apologise they offered £50, and said they would accept the discounted offers, subject to confirmation of the source of funds and that it was affordable.

I can appreciate to Mr F Lowell appear to be asking for information they say he's already provided. But given the time that's passed and as Mr F doesn't appear to have settled the debts, I think it's reasonable he provide this at this stage. I say this because Lowell still have a duty to understand the source of funds and ensure that it is still affordable to Mr F based on his current circumstances.

In saying this, I'd still expect Mr F to be able to settle the debts on the original terms once he's provided sufficient information to Lowell. If Lowell alters the terms and Mr F is unhappy, he'd be entitled to make a separate complaint about that.

I'm sorry to hear this has caused Mr F a significant amount of stress and anxiety, but overall I consider £50, along with the offer to reconsider the settlements on the same terms, fairly resolves matters. I can see since his complaint has been with our service Mr F has

increased the offers he originally made – so he can speak to Lowell directly about this if he'd like to do so.

My final decision

For the reasons I've explained above, I uphold Mr F's complaint and direct Lowell Portfolio I LTD to pay Mr F £50 to resolve matters.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 23 April 2025.

Victoria Cheyne
Ombudsman