

The complaint

Mr B complains to Lowell Portfolio I Ltd that a default is being reported on his credit file for a debt with them.

What happened

Mr B held a credit card with a company I'll refer to as C. Unfortunately during the COVID-19 Pandemic Mr B wasn't able to make his repayments to his credit card – and C defaulted the account, and then recorded this on his credit file.

The account was then sold to Lowell on 30 March 2022, who continued to report the default. Mr B raised concerns about the reporting of the default, because he wasn't in a position to pay it due to the pandemic.

Lowell said when they took over the account they also took over the responsibility for the reporting of the default. C reported the default on 8 September 2021, and Lowell listed out the steps C say they'd have taken before the default was recorded. Now the balance had been paid, the default showed as 'satisfied'. Overall, Lowell didn't think they'd done anything wrong.

Unhappy with this, Mr B asked us to look into things, saying he wanted the default removed because at the time he wasn't given any support to help pay the outstanding debt.

One of our Investigators considered things. They explained C were the appropriate company to contact about the default, as it was C who applied it. But the Investigator felt Lowell should have escalated Mr B's dispute to C and awarded £50 for their failure to do so – leading to delays for Mr B.

Mr B ultimately accepted this outcome, but Lowell didn't. They said Mr B told them he hadn't contacted C – and when purchasing accounts they do so on the understanding the account is free from any unresolved disputes. So, overall, they didn't have any basis on which to contact C.

As Lowell didn't accept our Investigators outcome, the case has 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.

The crux of this complaint is whether Lowell should have contacted C on Mr B's behalf when he raised his concerns.

Lowell originally told us Mr B couldn't tell them if he'd made C aware of his difficulties when the pandemic was happening – they said this meant they couldn't contact C to explore this issue. In response to our Investigators view, Lowell said Mr B had told them he hadn't contacted C – so was more definitive, rather than being unsure.

Either way though, I don't think it was for Lowell to decide whether C had made an error or not – I think this was for C to decide.

Lowell have mentioned we'll have seen from other cases they pass on concerns to the original lenders quite regularly. I agree – I have seen this because they do. Against that background I think they should have done the same for Mr B's issue.

I realise Lowell say they didn't have anything specific to be able to raise to C – but equally the issue Mr B is raising happened several years before. Lowell don't have, as far as I know, access to all of C's records. So, I'm unclear on how precisely Lowell can know with certainty the issue hasn't previously been at least discussed – if not necessarily raised as a complaint. It's not outside the realms of possibility Mr B did raise his concerns with C, and simply forgot he'd done so – memories can and do fade and he was raising the issue several years later.

Overall then, I think Lowell should have raised Mr B's concern with C. I'm satisfied that's caused him some inconvenience and am satisfied £50 is a fair figure to put that right.

I can't though direct Lowell to remove the default – this is an issue Mr B has to resolve with C. I can see our Investigator has explained this to Mr B, so I don't need to say anymore here.

My final decision

I partially uphold this complaint and require Lowell Portfolio I Ltd to pay Mr B £50.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 8 July 2025.

Jon Pearce
Ombudsman