

The complaint

Mrs M complains Lowell Portfolio I Ltd trading as Lowell provided really poor customer service when dealing with fraudulent debts.

Mr M has supported Mrs M in bringing this complaint, so I'll also refer to him in this decision.

What happened

In April 2023 Mrs M was contacted by Lowell about an outstanding debt in her name. When Mr M called on Mrs M's behalf, it was initially found there were four accounts in her name – all of which Mr M said had been taken out fraudulently. Mrs M wasn't happy with Lowell saying they'd have to refer the accounts to the original lenders to confirm if the accounts are fraud or not. A fifth account was added later – which Mr M also said was fraudulent.

Mr M says he was very distressed in the calls with Lowell when he spoke to them but felt like they weren't really helping the issue. So, Mrs M got in touch with the original lenders, and I understand got the accounts sorted very quickly. But, Mrs M was unhappy with the time it took for Lowell to confirm this. Mr and Mrs M have asked for £2,000 compensation for Lowell's poor handling of things.

Across several responses Lowell said:

- Although Mrs M had disputed the accounts as fraudulent, when they buy accounts they do so on the understanding they're free from any dispute and validly owed
- They were sorry they didn't properly set up authority for Mr M to speak on all five accounts
- They understood Mr and Mrs M's concerns about the timeframes, but it's up to the different lenders how quickly they respond
- They didn't communicate about all of the accounts properly

Overall, Lowell accepted they hadn't handled things well and sent Mrs M a cheque for £250.

Unhappy with this Mrs M asked us to look into things.

One of our Investigators did so. He didn't think Lowell did anything wrong in expecting the original lenders to determine if the accounts were fraudulent. But felt Lowell's customer service at times wasn't good enough, and he increased the total compensation to £400.

Mr M didn't accept this, and provided a detailed explanation for why. 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 think it's important to firstly explain I've read and taken into account all of the information provided by both parties, in reaching my decision. I say this as I'm aware I've summarised

Mrs M's complaint in less detail than she and Mr M have. If I've not reflected something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless I think it's relevant to the crux of the complaint.

The circumstances by which Mr and Mrs M originally found out credit had been taken out fraudulently are ones I am genuinely sad to read about – as I am about the ongoing impact that situation has had on their lives at this point.

But, being impartial means I need to step back and critically assess what I think Lowell have done wrong, if anything.

In this case, Mr M has told us he made many calls and thinks these need to be listened to. Our Investigator explained as the accounts were only in Mrs M's name, this isn't something he can take into account.

What our Investigator has said is true, the powers I'm given in the rules only allow me to award compensation for the impact to the eligible complainant – here, that's Mrs M. But, that doesn't mean I can or should ignore what Mr M has said – because it's entirely unrealistic to think any impact on him during these phone calls hasn't in some way translated to Mrs M and caused her an element of distress.

Like our Investigator though, I have decided not to get or listen to the phone calls. I've got Mr M's testimony, and I'll use that to help me decide what I think is a fair outcome here.

Did Lowell follow the correct process for disputing the accounts

Mr and Mrs M are unhappy Lowell said they had to pass the accounts back to the original lender for them to check if the accounts were fraudulent – as Lowell said they 'own' the accounts now so are surely responsible for all issues regarding them.

Lowell say it's for the original lender to investigate the matter – which is why they passed the accounts back to them.

Typically I'd expect Lowell to do what they've done – gather any relevant information they can from a consumer who says an account is fraudulent, and then ask the original lender to investigate that.

The key reason for that is the original lender is the entity who granted the lending. They're the ones who have all of the information from account opening and can check that against Mrs M's genuine details.

What I'd like Mr and Mrs M to understand is that people often raise disputes about whether the debt is one they're required to pay – either saying the account is fraudulent or they shouldn't have to pay it for another reason.

Clearly, Mr and Mrs M were correct and genuine in that – but only the original lenders can confirm that – and only then once they've carried out their investigation.

I do understand the point Mr M has mentioned – where he's said then this matter could go on indefinitely. Realistically I don't think that's likely, as I think Lowell would chase the original lender and / or leave the account on hold until a reply had been received. But in Mrs M's case thankfully the original lenders did end up replying. I appreciate Mr M would say it's

only because he and Mrs M got in touch with the original lenders – but I don't think that automatically means they wouldn't have replied to Lowell's contact.

Overall then, I'm satisfied Lowell acted fairly in asking the original lenders to review the accounts – and also acted fairly in waiting for them to reply to confirm the accounts were fraudulent.

Lowell's customer service in raising these issues and then confirming to Mrs M the account has now been marked as fraudulent

Debt purchasers don't typically receive a lot of information when buying a debt, and it's expected the debt is free from any disputes – so at the time of taking over the accounts Lowell would have had a reasonable belief Mrs M did owe the money they asked her to repay.

Mr M is particularly unhappy with the customer service he received on the phone, and how long it took Lowell to confirm the accounts were marked as fraudulent.

As I've explained above, I can't award compensation to Mr M – but can to Mrs M. And I'll accept that the content of Mr M's calls will have caused Mrs M some distress.

I also understand why Mr M would say the time taken to confirm some of the accounts were fraudulent was too long from Mrs M's perspective.

Although I understand and sympathise with Mrs M on this point, I can't agree. As Lowell aren't responsible for confirming whether the account is fraudulent they are reliant on the original lender confirming that is the situation. Given the amount of accounts that had been taken out, I think this was also going to increase the chances of things taking longer to get resolved.

I have noted Mr M's additional comment that for one account they were waiting for the refund from the original lender before issuing the letter confirming the account was fraudulent and they wouldn't be chased again. But by this time Mrs M had confirmation from the original lender it was fraudulent. So, I think that'll have lessened the impact than if Mrs M hadn't already been told by the original lender the account was fraudulent.

I do though think at times Lowell took too long in updating Mrs M one of the original lenders had confirmed the account was fraudulent. I can also see Mr M's authorisation to speak on the accounts was actually in error only added to one account initially – leading to Mrs M being further inconvenienced.

I'm also conscious a number of debt collection letters were sent to Mrs M when the accounts were already in dispute. This is particularly disappointing given the circumstances Mr M and Mrs M had explained to Lowell at the start. While Lowell couldn't have known initially these accounts were fraudulent, they do need to handle things with care – and sending debt collection letters once on notice about the issues Mrs M was experiencing isn't doing that.

Finally I've thought about everything Mr M has said about the phone calls – and I accept his comments about how he feels he was treated on them. As has been said, I can't consider any impact on him or award him compensation for those calls. But, as I've also said, I'm satisfied the impact of those calls will have been felt by Mrs M – albeit in a less direct fashion given she wasn't the person on the call.

Overall, I think increasing Lowell's offer of £250 to a total of £400 is a fair amount to reflect the distress caused to Mrs M.

I have noted Mr M's request for a payment of £2,000, but I don't consider that to be fair here. I say that because Lowell didn't create this situation and couldn't decide if an account was fraudulent or not. I don't doubt the strength of feeling for both Mr M and Mrs M in this matter, but objectively I can't say Lowell's customer service failings is worth what Mr M has asked for.

My final decision

I partially uphold this complaint and require Lowell Portfolio I Ltd to pay Mrs M a total of £400 compensation. If Lowell have already made any payments, they can deduct this from the final payment sent.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 4 September 2025.

Jon Pearce
Ombudsman