

The complaint

Mr M complains that Lantern Debt Recovery Services Limited trading as Lantern (Lantern) have treated him unfairly in contacting him for debts they haven't proven he owes.

What happened

Mr M's complaint centres around three debts that Lantern are pursuing him for. The debts are for three different accounts I have listed them out below:

- A credit card with an outstanding balance of £390.05 taken with a business I'll refer to as V. Purchased by Lantern July 2021.
- A pay day loan with an outstanding balance of £397.50 with a business I'll refer to as Q. Purchased by Lantern July 2021.
- A pay day loan with an outstanding balance of £155 with a business I'll refer to as C. Purchased by Lantern March 2024.

Lantern provided Notice of assignment letters (NOA) to Mr M for each of the accounts shortly after they were purchased.

In June 2024 Mr M contacted Lantern asking for proof of his liability for these debts as well as copies of the deed of assignment (DOA) for each of them. He also asked Lantern to consider a write off as his expenditure far outweighed his income and he said there was little likelihood of things improving.

Lantern provided Mr M with copies of his credit agreements and statements for the Q and C accounts but said they would need to contact V to get him a copy of that agreement, and they would send it on to him. They provided him with further copies of the NOA's. They declined to provide him with copies of the DOAs saying they had no obligation to do so. They also declined his write off request but said that if he wanted to share more information about his circumstances, they could consider it again.

Following this Mr M made more requests for the DOAs and sent cease and desist letters to Lantern and asked them to delete his data and stop processing it. He declined to provide any further information to them to consider writing off his debts, choosing to keep his financial information private. Lantern explained they had a legitimate reason for processing his data and so they wouldn't be deleting it. They did though, make an exception and provide him with redacted copies of the DOAs.

As Mr M was unhappy with Lanterns responses, he eventually brought his complaint to this service. Saying the DOA's didn't include any information relating to him and so still didn't prove he owed the debts to Lantern. He also complained that Lantern didn't deal with his write off request.

Our investigator didn't think Lantern had done anything wrong so didn't uphold Mr M's complaint.

Mr M disagreed and so the matter 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.

I realise that I've summarised this complaint in less detail than the parties and I've done so using my own words. I've concentrated on what I consider to be the key issues. The rules that govern this service allow me to do so. If I've not reflected something that's been said in this decision, 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. I can confirm I've taken account of all the relevant rules and legislation when deciding this case.

DOA

The Financial Conduct Authority (FCA) sets out what's expected of financial businesses in the Consumer Credit Sourcebook (CONC) rules. CONC 6.5.2 says:

(1) Where rights of a lender under a regulated credit agreement are assigned to a firm, that firm must arrange for notice of the assignment to be given to the customer:

(a) as soon as reasonably possible; or

(b) if, after the assignment, the arrangements for servicing the credit under the agreement do not change as far as the customer is concerned, on or before the first occasion they do.

[Note: section 82A of CCA]

(2) Paragraph (1) does not apply to an agreement secured on land.

(3) A firm may assign the rights of a lender under a regulated credit agreement to a third party only if:

(a) the third party is a firm; or

(b) where the third party does not require authorisation, the firm has an agreement with the third party which requires the third party to arrange for a notice of assignment in accordance with (1).

In practice this means that a NOA is all Lantern are required to provide to Mr M to show they own the debt. Despite this they provided him with redacted copies of the DOAs and he has argued that these don't contain information relating to him and so he still disputes he owes them the money.

A DOA is a contract between the buyer and the seller and is used for the transfer of ownership of batches of accounts – each account and debtor isn't identified in the DOA itself, so even if Lantern provided Mr M with an unredacted copy it's unlikely it would contain what he is looking for.

And in any event Lantern provided NOA's to Mr M for each account. A NOA is a standard document when a debt is sold from one owner to another. There isn't anything obviously wrong with the NOAs he was provided, they contain all of the usual information I'd expect.

So, in the circumstances, I don't think there's any reason not to rely on it. As such, I'm satisfied the NOA is sufficient to show Lantern are entitled to collect the debt.

Additionally, Lantern provided Mr M with copies of the credit agreements for each of the account and statements, so I'm satisfied they have done enough to show Mr M is liable for the accounts.

Bringing all of this together I don't think they are acting unfairly when pursuing him for these debts.

Debt write off

Mr M feels that Lantern didn't deal with his write off request, but I disagree. In their letter emailed to Mr M on 16 July 2024, they told him they wouldn't be looking to write off his balance as a gesture of goodwill, as he had asked them to. But they asked that he provide them with more information regarding his current circumstances. Mr M chose not to provide any further information to Lantern – this was his choice. But based on that I'm satisfied that Lantern didn't need to consider his request further at that point.

I understand that since bringing his complaint to this service Mr M and Lantern have been engaging about his write off request, but that hasn't formed part of this complaint.

In summary I'm satisfied that Lantern has acted fairly when dealing with Mr M and that they are entitled to continue contact with him for payment of the debts.

I understand this isn't the outcome Mr M was hoping for and he will likely be disappointed by this, but my decision ends what we - in trying to resolve his dispute with Lantern - can do for him.

My final decision

For the reasons set out above, my final decision is that I don not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 October 2025.

Amber Mortimer
Ombudsman