DRN-5703324

The complaint

Miss G complains Lowell are asking her to repay a debt that isn't hers. And, because they currently say it is, payments she's making are being applied to that account, when those payments should be applied to accounts she does owe.

What happened

As I understand it this is a loan which was sold by the original lender (who I'll refer to as L) to one debt purchaser, another debt purchaser bought the account – and that debt purchaser was then taken over by Lowell.

Miss G says the debt isn't hers, and although she's disputed this with Lowell they just keep telling her she's made payments towards the account. Miss G says she's paid £1,618 and thought those payments were going to other accounts with Lowell. Miss G says she's spoken to L who say they have no record of her, and she's spoken to the Police who confirmed the account is fraudulent, but when Lowell wouldn't do anything advised her to contact our service.

Lowell say when they buy accounts they do so on the understanding they're free from any kind of dispute. And, anything that happened before they were assigned the account isn't something they can deal with – as it happened before they were responsible. Lowell said the account in question was taken out in 2009, it defaulted in January 2011 and the last payment to the account was £1 on 14 March 2023 – Lowell said this wasn't fraud. In addition, although Miss G wanted the £1,618 transferred to other Lowell accounts, they said they hadn't received this amount from her. Overall they didn't uphold her complaint.

Unhappy with Lowell's response, Miss G asked us to look into things. One of our Investigators did so, but overall didn't think Lowell were doing anything wrong. She said if Miss G wanted to take the matter further, then she'd need to contact L directly.

Miss G wasn't happy with this, saying she had spoken to L and tried to do a Subject Access Request (SAR) – but in response L said they didn't have any data for her. 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.

What Lowell have told Miss G is right – typically when they purchase a debt they don't take on a lot of information and aren't usually responsible for anything that happened prior to the purchase.

Here, Miss G disputes the debt is hers. Lowell's recommendation is for Miss G to raise this with L. Lowell probably could have done more – by for example gathering additional information and potentially raising this to L on Miss G's behalf. But given Miss G's details are what they've been provided with, I can see why they'd suggest Miss G contact L – on the basis the account was taken out with L, so they'd usually be the only party who could confirm if the account had been taken out fraudulently or not – that's because they'll usually have the account opening details and so on.

I should make it clear to Miss G at this point that I can only consider what happened up to the point of Lowell responding to her complaint. That's because the financial services regulator the Financial Conduct Authority says financial businesses must be given eight weeks to address any new complaint issues.

I say that because I can see Miss G has since been in touch with L, who said in response to her SAR that they can't find any accounts in her name.

But, this hadn't happened at the time of her complaint to Lowell – and I can't consider what's happened afterwards.

So, where that leaves us is I think Lowell have made a reasonable request for Miss G to contact L to discuss whether the account was taken out fraudulently. If L agree it was, then I'd expect them to tell Lowell this. In that scenario, Lowell would then return the account to L, and Lowell wouldn't contact Miss G about the account again.

But, that hasn't happened here. L's response to the SAR seems to suggest they need more information – including if Miss G was known by a different name or lived at a different address. I'd encourage Miss G to give L as much detail as she can about this – if she hasn't already. I've also asked our Investigator to share with Miss G a copy of the Notice of Assignment (NOA) dated 17 May 2023. This includes a box titled "original account number" – so this may be of use to her / L.

Coming back to this complaint, Lowell have made an understandable suggestion for Miss G to contact L to raise her concerns the account is fraudulent – so I don't think they've done anything wrong on this point. If there is an active dispute, then Lowell should put the account on hold, but when there isn't, then it'd be fair for Lowell to ask Miss G to repay the balance.

I've next considered the issue of £1,618 Miss G says she's paid towards the account with L.

Lowell say Miss G hasn't paid this amount towards the outstanding balance of the L account with them.

This appears to be true, as Lowell took over the account with L in October 2022. This is confirmed in the NOA and a balance of £5,391.25 is showing. Lowell's internal notes provided in November 2024 show an outstanding balance of £5,366.25 – so a reduction of £25.

I believe Miss G has calculated the £1,618 figure from the default balance – which was £6,984.25 – to the outstanding figure in November 2024 of £5,366.25.

Regardless of the above though, at this point this account hasn't been proven to be fraudulent. So, I can't see how it'd be appropriate to require Lowell to refund any payments Miss G has made towards a balance that currently they're entitled to ask her to repay.

My final decision

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss G to accept or reject my decision before 9 September 2025.

Jon Pearce
Ombudsman