

The complaint

Mr H complains Lantern Debt Recovery Services Limited have conducted unfair and improper debt collection activities.

What happened

As I understand it an account in Mr H's name was taken out with a lender I'll refer to as C. The account fell into difficulties and was ultimately sold to Lantern. A Notice of Assignment was sent to Mr H to confirm this on 10 August 2021.

Mr H says the issues began on 22 April 2025 when he received the pre-action protocol letter from Lantern's solicitor – who I'll refer to as M. Mr H says he replied on 26 June 2025 asking for evidence of the debt. In making this request, Mr H has said he specifically wanted a true copy of the executed agreement. Mr H says in response, M provided a statement of account, NOA and a document they said was a credit agreement. But, Mr H said the credit agreement was incomplete. So, he raised a complaint to M and Lantern.

In M's response, they said the documents had been provided by Lantern, and overall they didn't think they'd done anything wrong.

Unhappy with M's response, Mr H asked us to look into things. While his complaint was with us, Lantern issued their outcome to his complaint. They said:

- They'd provided Mr H with a statement, and all credits were payments made to C, not them
- The credit agreement was a valid one
- Overall, they didn't think they'd done anything wrong
- But, as a gesture of goodwill, they were prepared to write off the balance and update the credit reference agencies (CRAs)

Mr H said Lantern agreeing to write off the debt was evidence the account was never enforceable, and that they were unable to produce a clear valid credit agreement as required. Mr H said given these clear regulatory breaches and the prolonged distress their conduct caused, he felt £350 compensation should be paid.

One of our Investigators issued an outcome, saying they didn't think Lantern had done anything wrong.

Mr H didn't accept this outcome, setting out a timeline of events and explaining:

- The version of the credit agreement we had seen was different to the one he was provided with by M from Lantern
- The documents provided had spelt his first name incorrectly (I won't set out the specifics of this, as my decision has to be anonymised)
- He asked for proof of the account being removed from his credit file

Overall, Mr H still felt £350 compensation was a fair outcome, 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 explain I've considered all of the information provided by both parties in reaching my decision. If I've not reflected or answered 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.

As a starting point, I can't decide if the account in Mr H's name is – or was – unenforceable or not. Only a court can decide that. What I can do is look at whether Lantern have treated him fairly and reasonably.

In terms of Mr H's complaint then, the question becomes whether Lantern have acted fairly in instructing M to pursue legal action.

Lantern won't, as a general rule, hold all of the documents Mr H subsequently asked for – they're normally held by the original lender. So, in this case, Lantern would have been reliant on C providing the documents – and crucially been reliant on what they were given.

Effectively then, Lantern have provided what C gave them. And I don't think that's unfair or unreasonable – as C acting in their capacity of the lender would have produced the documents originally.

So, whether the credit agreement Mr H saw was or wasn't defective from a legal perspective I can't decide. But, I can say it's fair for Lantern to rely on the documents they're given by C. This also includes Mr H's concern about the spelling of his first name.

Because of that, I can't fairly say Lantern did anything wrong in the documents they provided to Mr H, or the decision to instruct M to pursue legal action.

I've noted Mr H has asked for confirmation Lantern updated his credit file with the CRAs. But, I also understand the default applied by C was added more than six years ago. This typically means the default would have been removed from Mr H's credit file now – and only Mr H would be able to check this.

And, given Lantern didn't do anything wrong, it's unlikely I'd have required them to remove the entry with the CRAs if they hadn't already offered to do this.

If Mr H would like to, he can check with the CRAs to ensure the entry has gone. If he hasn't, then he'd be entitled to raise a new complaint – because my understanding is it should have expired by now.

My final decision

For the reasons I've set out above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 13 April 2026.

Jon Pearce
Ombudsman