

complaint

Mr P complains that Lowell Financial Ltd has not provided him with the information he has requested to prove the debt he paid towards was his.

background

Mr P says that around 2007 his house was repossessed and the bank with which he held a mortgage (the bank) recovered its money and he did not hear from it again.

In 2010, Lowell contacted Mr P about an outstanding debt with the bank (where the mortgage had been held) of around £10,000. At this time he says he was in a mentally vulnerable state and was embarrassed to admit this and just set up a repayment plan. He says he made repayments of around £3,500.

In 2013, Mr P contacted Lowell to challenge what the debt related to. He says he was told it was a current account with the bank and it was in joint names with his ex-wife. He says he never had a current account with this bank and asked for further evidence to show the debt was his. He told Lowell he would not make any further payments until he had proof the debt was his. Mr P says Lowell did not provide him with proof of the debt and just sent letters about reviewing his repayment plan.

In November 2017, Mr P received a letter about reviewing his repayment plan and contacted Lowell about this. He explained he had never had a current account with this bank and that proof of the debt had not been provided. He asked that the payments he had made towards the debt be refunded. Mr P says he was told he would receive a cheque for £2,900 but was later told he would not receive the refund.

Mr P then received a letter from Lowell not upholding his complaint but saying that it was not currently pursuing him for the debt as the joint account holder had taken responsibility for it.

Lowell says it acquired the debt in 2008 and that Mr P set up an arrangement to make payments and that payments were made until August 2013. He then contacted it to explain that due to financial difficulties he would be unable to continue to make payments. It says he asked that the joint account holder be pursued for the debt.

Lowell says that the joint account holder has now set up a payment arrangement and it is not pursuing Mr P at present although it noted he might still receive letters regarding the account.

Lowell says the debt relates to a current account with the bank which was opened in October 2007 and defaulted in December 2007. It says that due to the age of the account it has not been able to get any further information from the bank it acquired the debt from about this.

Our investigator did not uphold this complaint. He did not find that Lowell had done anything wrong in this case.

Mr P did not accept our investigator's view. He said that he had been asking Lowell for all information about the debt since 2013 but this had not been provided. He reiterated he was going through a difficult period at the time of the alleged debt and now wants to understand

where the alleged debt has come from and to have a breakdown of how the amount was calculated.

Mr P also questioned when he would receive the refund he was promised.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

This complaint relates to a joint account. Only Mr P has brought the complaint to this service. It is generally a requirement that the signatures of both account holders are required when a complaint about a joint account is raised. However this complaint relates to the service Mr P has received when raising questions about the debt and my decision will not impact the other party to the joint account.

In this case, what I can consider is the service Mr P has been provided by Lowell and whether it has treated him fairly. While I note Mr P has raised questions about the validity of the debt, I cannot decide whether or not a debt is enforceable, only the courts can do that.

Although the debt Mr P has complained about arose more than six years ago, this complaint is about him not receiving evidence to support the debt being his. It was not until 2013, that this was requested and so I have considered his complaint in regard to this.

Lowell acquired the debt in June 2008. It has provided copies of its call notes and I can see that there was a call between Mr P and Lowell in June 2008 when Mr P says he is willing to come to an arrangement to pay half the debt. There were then calls in July and August that year when Mr P reiterated his position that he should only pay for half the debt and he explains it relates to a shortfall following the repossession of his house. In September 2008, Mr P starts making payments towards the debt and these continue until 2013.

Mr P says that he set up the payment arrangement with Lowell at a time when he was struggling with his personal circumstances and was suffering from anxiety and depression.

Based on the information provided, it does not appear that Mr P raised concerns about the validity of the debt until 2013 but instead just said that he should only pay half. Therefore, in 2013, before the issues were raised I think it reasonable that Lowell would have believed Mr P had accepted the debt.

In 2013, Mr P asked for a copy of the credit agreement. Lowell wrote to Mr P and explained the debt related to a current account and so a credit agreement would not have been issued. But it said account statements had been sent to Mr P. While I can understand why Mr P wanted more evidence of the debt I do not find that Lowell did anything wrong at this stage.

Lowell has since provided further information about the debt saying that the account was opened in October 2007 and defaulted in December 2007. It has passed on information from the bank saying that the debt was due to a mortgage shortfall that was passed to the bank's recovery services as an unsecured debt.

There was contact between Mr P and Lowell during 2013 about payments in which Mr P said he was in financial difficulties. Following this a payment arrangement was set up with the other party to the debt. A call took place in each of 2014, 2015 and 2016 on which it was

explained that Mr P's ex-partner was making payments. There were no further calls noted in regard to the debt or concerns raised about whether Mr P should have made the payments he did.

In November 2017, Mr P contacted Lowell saying that he hadn't had a current account with the bank but did previously have a mortgage and he thought the debt related to the mortgage indemnity and that he shouldn't be liable for this. He asked for the payments he had made towards the debt to be repaid. The issue regarding the refund information given to Mr P is being dealt with in a separate complaint and so I cannot comment further on this issue.

Overall, having considered the service Mr P has received from Lowell in regard to his request for further information, I find that he has been treated fairly. Lowell responded to Mr P's request regarding the credit agreement and provided information about the origin of the debt. Based on this I do not find that I can say Lowell has done anything wrong.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 11 August 2018.

Jane Archer
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