

complaint

Mr B complains that Lowell Financial Ltd did not provide him with proof that he owed it money. He also complains it has recorded a default on his credit file.

background

Mr B says that he was recently contacted about a debt he was not aware of. He says that he was not provided with any evidence the debt was his. He also suggested that if the debt was his it was statute barred. Mr B says that although Lowell says it will no longer chase him for repayment it is still recording a default on his credit file which is preventing him getting credit.

Lowell bought the debt from the original owner in April 2012. It says that Mr B's debt was valid and not statute barred. It says that it decided not to pursue Mr B for the debt. However it says that it would not remove the default. Lowell says the default was recorded in October 2010 and would remain on Mr B's credit file for six years (until October 2016).

The adjudicator said that the default had been correctly recorded and provided an accurate reflection of Mr B's financial activity at the time. Because of this he did not require the default to be removed.

Mr B said that he would have paid the debt but he wanted proof that the debt was his before paying it. He said he wanted to resolve this issue so the default could be removed.

my findings

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

Mr B has said this default is stopping him getting credit. While I understand this must be very stressful for Mr B, my role is to determine whether or not Lowell has done something wrong by recording the default on Mr B's credit file.

The default was recorded in 2010 by the original debt owner. Based on the information I have, I don't find anything to suggest this was not recorded correctly at that time.

Lowell bought the debt in 2012, and the default was already recorded on Mr B's credit file. The acquisition of the debt did not change this situation and so as the new account owner, Lowell, continued to record the default. I find this reasonable.

I can understand why Mr B is upset by this default and why he is frustrated that a debt from a number of years ago has come to light. I also appreciate that he wants to resolve the issue to have the default removed.

But information recorded on credit reports is required to provide an accurate reflection of the financial activity on an account at the time. Because I have nothing to suggest that the default was recorded incorrectly or that Lowell did anything wrong by continuing to record the default after acquiring the debt, I cannot say that the default should be removed.

I have not seen a copy of Mr B's credit file but based on the information provided, the default was recorded in October 2010. Defaults remain on a credit file for six years and so this will be removed in October 2016.

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 B to accept or reject my decision before 22 February 2016.

Jane Archer
ombudsman