

## **complaint**

Mr H complains that Lowell Financial Ltd is chasing him for a debt that he disputes and that it has not removed the default from his credit file.

## **background**

In 2004, Mr H says that his wife entered into a credit agreement to buy furniture. He says that he set up a direct debit to make the payments under this agreement but that the company then ceased trading and the direct debits were not collected. He says that he was not aware this had happened until he was chased because the account was in arrears. Mr H says he asked for a copy of the agreement and found that it had been altered to include his details rather than his wife's.

Mr H says that he agreed a rate at which to pay off the debt and made regular repayments but that a default was placed on his credit file. Mr H says that the debt was then sold to Lowell and that it started to chase him for a debt he did not owe. In 2012, Lowell agreed to close the account with Mr H and write off the outstanding debt but it did not update his credit file. Mr H then heard nothing until July 2013 when he was contacted again by a firm chasing the outstanding debt. Mr H contacted Lowell and the debt was returned to Lowell.

Lowell says that it issued its final response to Mr H on 20 September 2013, and that although it was aware of later correspondence this was the only final response issued. Because of this it says that the complaint was not referred to this service within six months and therefore falls outside our jurisdiction. It also says that the default was recorded on Mr H's credit file by a predecessor company on 1 May 2009 and because Lowell did not purchase the debt until 23 June 2010, it was not responsible for recording the default.

The adjudicator said that part of Mr H's complaint fell outside our jurisdiction because it was referred to us more than six months after Lowell's final response letter; that the credit agreement was dated 2004 and we only gained the powers to consider complaints about consumer credit regulated activities on 6 April 2007; and that some of the issues raised were against the original credit provider and not Lowell. However, she did find that she could consider whether Lowell should remove the default from Mr H's credit file. The adjudicator said that because payments were not made to the account between 6 April 2007 (when we had the power to start considering these complaint) and November 2009, she could not conclude that a default should not have been recorded on Mr H's credit file. Because of this she did not find that that Lowell should remove the default.

Mr H did not agree. He said that his complaint could be considered because of the letter he received in June 2014. He said that he was not aware that the payments set up under his direct debit had not been taken and also provided further information about the payments he had made.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. The rules we follow are known as DISP and are set out in the Financial Conduct Authority Handbook. They say, at DISP 2.8.2, that we can't generally consider a complaint which is referred to this service more than six months after the date of the final response letter issued by the financial business.

Lowell sent Mr H a final response letter in September 2013. This letter said that Mr H's account would be closed and not reopened. It said that Mr H should not receive any further contact from Lowell or its affiliated companies about this matter. It also said that the default was applied by a predecessor company and would not be removed but would be updated to show it as partially satisfied. Mr H did not refer his complaint to this service until August 2014, more than six months after the final response letter had been issued. Lowell has said that this complaint therefore falls outside our jurisdiction. I find that the issues covered in this letter do fall outside of our jurisdiction.

Mr H raised further issues in April 2014, and Lowell provided him with referral rights in a letter dated June 2014, which set out that it had not been able to provide a response within the eight week time limit. I have considered these issues.

Mr H says that the default should not have been recorded on his credit file because the credit agreement was with his wife and was later altered to be in his name. The agreement does have Mr H's wife's name and signature crossed out and replaced with Mr H's name and signature. The agreement is dated 2004 and I have nothing to demonstrate that the changes were not made at that time. Because we did not have had the power to consider complaints about consumer credit regulated activities until April 2007, I have not considered this part of Mr H's complaint any further.

The default was applied by a predecessor company of Lowell in May 2009. The adjudicator has made contact with the predecessor company but information about the recording of the default was limited.

Mr H has provided evidence of the payments he made and explained that he was not aware that the direct debit payment he set up was not being made. However, because payments were not being made prior to the default being recorded I find, on balance, that the information recorded on Mr H's credit file accurately reflected the account at that time. Defaults remain on a person's credit file for six years and so this would ordinarily remain until May 2015.

Overall, I find it reasonable that the account was closed and the outstanding amount written off and that Mr H should not be contacted any further about this matter. If Mr H is contacted further about this account then he has the right to raise a new complaint. I do not find that Lowell is required to make any amendments to Mr H's credit file as I find it was an accurate reflection of the account at that time.

### **my final decision**

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mr H to accept or reject my decision before 2 March 2015.

Jane Archer  
**ombudsman**