

## **complaint**

Mr O complains that Lowell Portfolio I Limited, ("LPL"), pursued him for a debt that he believed he'd already settled, and that it should have responded to his communications. If it had, he said that it would have been unnecessary for LPL to issue court proceedings which resulted in him having to pay its legal costs.

## **background**

Mr O took out a fixed sum loan agreement with a finance provider ("B") in 2007 to buy goods on a Buy Now Pay Later basis. The agreement said that if Mr O did not pay the whole cost of the goods by a certain date, then interest on the whole cost was due to be paid. Mr O didn't pay the whole amount due by the due date and B applied all the interest due to his account. But, Mr O believed that he should only pay a proportionate amount of interest for the period up to the date he paid the remaining amount due, and he paid this in September 2008. He wrote to B to confirm this in early September 2008, but said he heard no further from B and he assumed that the matter had been settled.

Mr O's account was then sold to LPL in January 2012. LPL wrote and phoned Mr O about the amount due on his account, but it said that he didn't provide a response until April 2012 when he told it that the debt had already been settled. He later sent it the September 2008 letter and bank statements. LPL then sought instructions from B as to whether the debt had been settled. In June 2013, LPL wrote to Mr O to explain why B had said that the debt was still due, and it wrote several letters to Mr O after this. But as it heard no further from Mr O, it issued county court proceedings against Mr O for recovery of the debt in April 2014.

The adjudicator didn't recommend that the complaint should be upheld. She was satisfied that LPL had acted reasonably. She also noted that there had been court proceedings between Mr O and LPL about the amount owed, so she said that this service would not be able to investigate this aspect of Mr O's complaint.

Mr O disagreed and responded to say, in summary, that LPL hadn't specifically responded to his concerns, but instead sent him generic debt collection letters and didn't liaise constructively with him to resolve the matter. If it had, legal proceedings wouldn't have been necessary.

## **my findings**

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

I have seen a number of letters sent by LPL to Mr O.

- In February 2012 LPL sent Mr O a letter to explain that Mr O's account was sold by B to LPL and that he should call them to discuss the account.
- On 4 April 2012, Mr O contacted LPL by telephone and stated he had settled the debt and would send proof of this to LPL. At this point the account was placed on hold whilst LPL awaited the proof referred to.
- In April 2012 LPL sent Mr O details of the evidence it required to show that the account had been settled.
- On 4 May 2012, Mr O sent LPL statements and a copy of his letter to B dated September 2008.

- In mid-May 2012, LPL wrote to Mr O to say that the September 2008 letter was not attached.
- In mid-July 2012, Mr O sent LPL evidence of his payments to B.
- At the end of July 2012, LPL wrote to B to seek instructions on the information Mr O had sent it. LPL said that B didn't initially respond to the further points that LPL had asked, and it chased B for this information several times, and eventually received this.
- In June 2013, LPL wrote to Mr O to explain the reasons why B had said that the debt was still due.
- Between July 2013 and November 2013, LPL said that it had tried to contact Mr O by telephone and letter to discuss repayment of the debt, but it said that no response was received.
- In December 2013, LPL wrote to Mr O to inform him that its external litigation partners had been instructed to recover the debt, and proceedings were issued in April 2014.

I have seen copies of most of the letters written by LPL and I am happy that it had dealt with the substantive issues raised by Mr O. Mr O has sent this service copies of the two letters he had written to LPL dated May 2012 and July 2012 before court proceedings were issued, and I am satisfied that LPL replied appropriately to these two letters.

Mr O has complained that LPL wouldn't liaise constructively with him to resolve the matter. But, as there was a dispute between the parties in that LPL believed that the debt was due, and Mr O believed that it had been settled, I can see that a resolution would be difficult. But, I am satisfied that LPL tried to contact Mr O by letter on several occasions to encourage him to contact it to resolve the matter.

I can also see that Mr O moved address in 2012, but I cannot see that he had told LPL of his new address. This may explain why some of LPL's correspondence didn't reach him. But I cannot hold LPL responsible for this if it didn't know Mr O's correct address. In particular, I note that LPL had discovered a different address from a credit reference agency for Mr O. But after finding this, it received a letter from Mr O from his previous address. So, I cannot say it acted incorrectly in then writing to Mr O's previous address in these circumstances.

So, having considered very carefully the circumstances of Mr O's complaint, overall, I don't think that LPL has acted inappropriately. I make no comments as to the debt amount, as this has been dealt with by the proceedings in the county court.

### **my final decision**

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 29 December 2015.

Roslyn Rawson  
**ombudsman**