

## **complaint**

Mr S complains that Lowell Financial Ltd wrote to him demanding payment of an outstanding debt when it'd agreed to correspond with his father. He says Lowell Financial won't agree his father's offer to settle the debt.

This complaint is brought on Mr S's behalf by his father. For the remainder of this decision, I will refer to him as Mr S2 and his father as Mr S1.

## **background**

Lowell Financial purchased Mr S2's debt from the original lender in February 2014. Following a complaint which was brought to this service, Mr S1 says Lowell didn't engage with him about settling the debt as agreed, but continued to contact Mr S2.

Lowell Financial apologised and paid £300 compensation as a gesture of goodwill. It said it would accept a 50% discount on the amount outstanding, leaving £2,014.75 to be paid.

Mr S1 didn't agree and offered to pay £1,700, on Mr S2's behalf, in full and final settlement. But Lowell Financial didn't accept that offer and Mr S1 brought the complaint to us on his son's behalf.

Our investigator recommended that the complaint should be upheld. She concluded that the compensation paid was appropriate. And she acknowledged that both parties had taken steps to try to agree a final settlement figure. She thought it was fair and reasonable that Lowell Financial should accept Mr S1's offer of £1,700 to close the matter.

Lowell Financial didn't agree saying, in summary, that it's 50% discount was fair and reasonable, taking into account it had written off the outstanding balance on two other accounts in Mr S2's name and that it had awarded £300 compensation.

## **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 S2 has been experiencing financial difficulties for some time and it seems his circumstances haven't improved for around five years. I've not seen what contact Lowell Financial had with Mr S2 since it bought the debt. But, from what Mr S1 has told us, there's no prospect that Mr S2 is going to be able to settle the outstanding debt.

But Mr S1 has offered to reach a settlement on his son's behalf and he has corresponded with Lowell Financial to try to agree a figure. He has offered £1,700, but Lowell Financial says it will only accept £2,014.75. Neither party is prepared to negotiate further. My role is not to decide what sum Mr S1 should pay, but to decide whether Lowell Financial has acted fairly and reasonably in the circumstances.

Lowell had purchased two other debts in Mr S2's name and, because of his circumstances, agreed to write off the balance and close the accounts. Taking into account its offer to write off half of the remaining debt, it's agreed to write off £3,460.31 in total - around 63% of the debt. So I find it has taken steps to try to come to an amicable solution.

Although Mr S1 has increased the amount he's prepared to pay, he doesn't agree to pay any more. He's asking Lowell Financial to write off around 69% of the outstanding debt.

After careful consideration, I don't think Lowell Financial has acted fairly in rejecting Mr S1's offer of £1,700. It's obliged to consider seriously any reasonable offer. I haven't seen evidence to suggest that Mr S2 is in a position to make any additional repayment towards the outstanding debt, or that his circumstances have changed over the last five years, or are likely to change in the near future. And I think Mr S1 has made a reasonable offer – after increasing it in response to Lowell Financial's rejection of his previous offers.

### **my final decision**

For the reasons I've explained, my final decision is that Lowell Financial Ltd should write off £2,349.51 of Mr S2's outstanding debt.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S2 to accept or reject my decision before 30 April 2019.

Elizabeth Dawes  
**ombudsman**