

complaint

Mr A complains that Lowell Financial Ltd refused to remove two defaulted accounts from his credit file and took too long to respond to his complaint.

background

Mr A says he noticed two defaults on his credit file which had been recorded by Lowell. He says he contacted Lowell in November 2017 and asked it to send him the original signed agreements as evidence that the debts were his. When Lowell only sent him reconstituted agreements, he continued to dispute the debts but, although Lowell closed the accounts, it refused to delete them from Mr A's credit file.

Lowell says it bought the two debts in 2014 and 2015 and sent letters to that effect to Mr A shortly afterwards. Between then and November 2017, Lowell said it heard nothing from Mr A despite sending multiple letters and outsourcing collections activity. On 23 November 2017, Lowell says Mr A called and offered to make monthly repayments on each of the two accounts. However, it says, he then called back two days later to say he'd already made payments towards the debts and disputed the outstanding balance. Lowell says it put the accounts on hold and asked Mr A to send proof of the missing payments. In the meantime, Lowell says it contacted the original debt owners who confirmed they'd received no payments from Mr A.

Lowell then received letters from Mr A at the end of November 2017 which stated he had no knowledge of either debt. He requested no further contact, and for the accounts to be closed, unless Lowell could provide evidence to the contrary. Lowell obtained a reconstituted agreement for one of the accounts but didn't receive any evidence from Mr A in support of his claim that he'd made payments to the accounts. So, at the beginning of February 2018 Lowell gave Mr A a further 30 days in which to make contact and arrange repayment of the debts.

Mr A continued to dispute the fact that a reconstituted agreement was sufficient evidence that the debt was his but, in April 2018, Lowell took the business decision to stop further action to recover the outstanding balances on the accounts and they were closed. However, because it was satisfied that Mr A was liable for the debts it didn't make any amendments to the associated defaults that had been recorded on his credit file.

Our investigator did not recommend the complaint should be upheld. He was satisfied the debt was genuine, based on the evidence he had seen. Therefore our investigator did not consider Lowell should remove the default markers from Mr A's credit file.

Mr A responded to say, in summary, that he never received sufficient proof that the debts were his. He explained that the reconstituted agreements and a table stating dates and amounts could be easily altered and would not stand up in a court of law as acceptable evidence.

my findings

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

Where the evidence is incomplete or conflicting, as some of it is here, I must make my decision based on the balance of probabilities. That is, what I consider is most likely to have happened.

I have seen the evidence provided by Lowell and, whilst I accept what Mr A says about it not having provided the actual, signed agreements, it is not obliged to do so. In addition to the reconstituted agreements, Lowell has provided copies of the letters it sent at the time it bought the debts as well as information about the account opening date, the last payment received, the balance at the time of purchase and the default date. The account holder's name and date of birth was also confirmed and trace procedures were carried out to confirm the account holder's current address. All this information indicated the account holder to be Mr A.

In addition, when Mr A first made contact with Lowell in November 2017, he did not dispute the debts. In fact, he agreed to set up a monthly repayment plan. Even when Mr A called back later the same month to say that he'd already made payments on the accounts, he was only disputing the account balances, rather than the existence of the debt. It was only in late November that Mr A wrote to Lowell to claim he had "*no knowledge of any such debt being owed*".

For the above reasons, I find it more likely than not that the accounts have been correctly attributed to Mr A and should appear as such in his credit file.

As a credit file is intended to be an accurate reflection of the way in which a customer manages their account, it will only be amended if it contains errors. As Mr A is not disputing the content of the entries on his credit file, rather the existence of the accounts at all, I can't see that's the case here.

I acknowledge what Mr A says about the evidence provided by Lowell being insufficient for a court of law. But this service makes its decisions based on what it considers to be fair and reasonable.

In summary, I'm satisfied that it's more likely than not that Mr A is the rightful owner of the two debts. As such, although I acknowledge that Lowell took a business decision not to pursue repayment of the amount owed, I find the credit file is an accurate reflection of the history of the accounts Mr A is disputing. So I can't conclude Lowell is obliged to amend it.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 11 January 2019.

Amanda Williams
ombudsman