

complaint

Mrs C complains that Lowell Financial Ltd contacted her over an extended period of time about debts that didn't belong to her. She also complains about the impact this has had on her credit file.

background

I'll set out the chronology of what's happened as far as I understand it.

Lowell sent two letters to Mrs C in December 2014 asking her to contact them about a debt they'd recently bought from a business I'll call 'P'.

Mrs C contacted Lowell in the same month to say this had nothing to do with her and that she'd been contacted incorrectly. Lowell agreed not to contact her again and to update their records accordingly.

Lowell sent letters to Mrs C in March 2015 about debts they'd purchased from businesses I'll call 'V1' and 'E' that required payment from her.

Mrs C contacted Lowell in the same month to say this was nothing to do with her and that she'd been contacted incorrectly. Lowell agreed not to contact her again and to update their records.

Lowell sent Mrs C a letter in September 2017 about a debt they'd bought from a business I'll call 'V2', for which they said she was liable.

Mrs C contacted Lowell to say this wasn't anything to do with her. Lowell agreed that this was because of a mis-trace and sent her a cheque for £40 which I understood Mrs C cashed. Lowell referred Mrs C to the Consumer Ombudsman if she wanted to take this further.

In 2018, Mrs C noticed that a debt was being recorded on her credit file for a communications account by Lowell. Her credit file showed that this account had been defaulted in November 2013. Lowell said this was bought from a business I'll call 'B'.

Lowell subsequently removed the default and all records of this debt from Mrs C's credit file and offered her £150 for the error. Lowell gave referral rights to the Consumer Ombudsman if she wanted to take her complaint about this any further. Our investigator explained to Mrs C that she couldn't consider the impact of any unregulated accounts. She upheld Mrs C's complaint and recommended that Lowell pay Mrs C £300. This seemed to be in relation to the period 2014 to 2017 covering the P, V1, E and V2 letters. Lowell disagreed and said they didn't believe £300 was a proportionate award. Mrs C's case was referred to me for a decision as a result.

I issued a provisional decision to both parties on 4 December 2020, in which I said the following:

'As our investigator has already explained, there is a limit to what we can consider in this complaint. To put it as simply as I can, I can only consider the impact of Lowell's actions on Mrs C in relation to the accounts where there has been a provision of credit, even though, as Lowell accepts, Mrs C was contacted incorrectly for all of these debts.'

I've looked at the evidence sent by Mrs C and Lowell, which includes the letters that Mrs C received, and Lowell's records of the accounts in question. Having done so, it appears that the letters Mrs C received in 2014 and 2015 relating to the accounts bought by Lowell from P, V1 and E stem from the provision of credit. However, the letter sent by Lowell in 2017 for the account they bought from V2 and the credit file entry from 2018 for the account bought by Lowell from B relate to telecommunication accounts possibly for data or airtime plans. So, there was no provision of credit for either of those accounts.

So, I am only able to look at the impact on Mrs C for the letters sent in 2014 and 2015. I've looked at what happened and can see that clearly that Mrs C was contacted in error and that this caused her unnecessary distress. However, and I accept this will likely disappoint Mrs C, I don't believe that a payment of compensation for £300 is proportionate, as recommended by our investigator. Lowell should not have contacted Mrs C about these three accounts, and I certainly don't underestimate that this would have greatly troubled and concerned Mrs C. However, Lowell did agree not to contact her any more about these particular debts as soon as Mrs C contacted them about this. I can't see that further contact was made about these particular debts or that Lowell recorded these on Mrs C's credit file.

I realise that Mrs C was then contacted by Lowell about the V2 account in 2017. However, this was to do with a separate account to the previous ones and, as I've mentioned, not related to an account with credit provided. This falls outside of my jurisdiction to consider as does the entry on Mrs C's credit file for the account bought by Lowell from B.

I completely understand that Mrs C has had to deal with a succession of issues from 2014 to 2018. I've spoken to Mrs C and fully appreciate the impact this has had on her. However, I need to bear in mind what I can and can't consider here. Mrs C will need to contact the organisation mentioned in Lowell's letters if she wishes to take the matters that occurred in 2017 and 2018 any further. I am though unable to investigate the events that occurred in 2017 and 2018.

So, for the reasons I've set out above, I currently don't intend to uphold this complaint.

I invited Mrs C and Lowell to provide any further comments or evidence to my provisional decision.

Lowell responded saying that they had nothing further to add. Mrs C said that she felt that I hadn't shown the same level of empathy in my provisional decision that I had shown in our telephone conversation and that this was very disappointing to her.

my findings

I've re-considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I haven't been sent any further submissions on the substance of the complaint. So, I see no reason to depart from the findings and conclusion I reached in my provisional decision. This means I won't be upholding Mrs C's complaint for the reasons I outlined in my provisional decision, which are shown in the above section of this decision.

I am very sorry to hear though that Mrs C feels that I didn't show the same level of empathy in my provisional decision as I did when we spoke on the phone. I certainly didn't wish to cause any more distress to Mrs C and I do recognise that she has been deeply affected by the contact from Lowell over many years. I do though have to explain my reasons for not upholding Mrs C's complaint, although I have certainly taken note of what Mrs C has said and I will keep that in mind in the future.

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 Mrs C to accept or reject my decision before 15 February 2021.

Dan Picken
ombudsman