

complaint

Mr M is unhappy Lantern Debt Recovery Services Ltd is holding him responsible for a debt which he originally said wasn't his.

background

In December 2016 Lantern bought a debt from another lender which had been taken out in 2013. It wrote to Mr M about repaying the debt, but received no response. So it applied for a County Court judgment (CCJ) in May 2018, which was granted in October 2018.

Mr M told Lantern it wasn't him who took out the loan. And, as he did so before the CCJ was obtained, he doesn't think he should be responsible for repaying the debt and shouldn't have a CCJ against him, which is also recorded on his credit file.

Lantern looked into Mr M's concerns and was satisfied, after considering the evidence provided by the original lender, that it was him who borrowed the money. Mr M disagreed and asked us to look into his complaint.

Our investigator explained that this service couldn't overturn the CCJ. And she felt Lantern gave Mr M sufficient notice of the debt's existence as well as its intention to obtain the judgment. Mr M disagreed and said that as he'd disputed liability for the debt Lantern should have put the matter on hold rather than proceeding with the CCJ.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so I don't uphold it.

I'm satisfied, from Lantern's records, that it notified Mr M about the debt soon after purchasing it in December 2016. Yet there's nothing which suggests he replied to any of its communications until May 2018 when he rang to say the debt wasn't his. That contact seems to have been prompted by Lantern's solicitor's letter – sent a couple of days before he got in touch – which warned that court proceedings had been started, and invited Mr M to get in touch within the next 14 days.

Court proceedings were held for a time after Mr M called. Lantern (and its solicitor) undertook some further investigation and corresponded with Mr M. In early September 2018 Lantern asked Mr M to complete some forms so it could further investigate his claim that the loan was taken out in his name fraudulently. But Lantern didn't receive the completed forms so told its solicitor to carry on with the court proceeding and judgment was entered on 24 October 2018. I don't think that was unreasonable in the circumstances.

I understand Mr M got in touch with Lantern again on 30 October, likely after Lantern's solicitor wrote to him confirming judgment had been entered. He said then that he'd returned the fraud forms and further arrangements were then made to hold recovery action while Lantern undertook further investigation into Mr M's allegations. But, by that time, the CCJ had already been obtained.

I'm satisfied Lantern gave Mr M given ample chance to dispute liability for the debt before the judgment was entered. I also note he could have put forward his defence direct with the courts, but Lantern says he didn't do so. I would also confirm that Mr M has, in the past few

days, shared information with this service which suggests he now accepts that he did actually apply for this loan.

Finally, as the investigator explained, I cannot overturn a court's decision. And, in the circumstances, it wouldn't be fair for me to tell Lantern to remove the CCJ from Mr M's credit file.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 5 January 2020.

Ruth Hersey
ombudsman