

## **complaint**

Mr K complains that Lowell Financial Ltd is chasing him for a debt that doesn't belong to him.

## **background**

Mr K is unhappy that Lowell is pursuing him for a debt associated to credit card account that he says he never held. He says someone else opened the account, using his information. He says the information in the application is wrong. He's provided documents, which he says support the fact that he didn't make the application, and which show that he was the victim of another identity fraud at around the time this application was made.

The original credit card company sold the debt to Lowell. Lowell took Mr K to court to try to recover the money. He says he told them that the debt doesn't relate to him, but they didn't accept that. He complained to us.

Lowell said that we shouldn't look at the complaint because the court was already considering it. However, because Lowell hadn't responded when Mr K defended their claim, the court had stayed the proceedings. The adjudicator felt we could look at it.

She considered the evidence and decided that it seemed more likely than not that Mr K had been the victim of identity fraud. She asked Lowell to stop pursuing Mr K for the debt, to remove all associated adverse information from his credit file, and to pay him £150 in compensation.

Lowell didn't think this was right. They said they hadn't been told Mr K had filed a defence. They intend to go ahead with the court proceedings to recover the debt and said that it was not a matter our service should deal with. Mr K didn't want this to go to court. He asked that an ombudsman deal with his complaint.

## **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 may dismiss a complaint without looking into its merits for a number of reasons. This includes where:

- the matter is the subject of current court proceedings, unless those proceedings have been stayed so that the Financial Ombudsman Service can consider the complaint; or
- where a court has already considered the merits.

I'm satisfied that neither of these reasons applies in this case. I think it's fair for me to consider the matter.

Mr K has told us that the information contained in the original application was incorrect, and that he was the victim of another similar identity fraud at around this time. He's provided a number of documents. I'm satisfied they support what he says. I've seen nothing to suggest the documents provided aren't genuine.

I think it's most likely that Mr K was the victim of identity theft in this case. I agree with the adjudicator that Lowell should no longer pursue him for the debt and all adverse information should be removed from his credit file.

I think Lowell's handling of the complaint has caused a good deal of frustration and inconvenience to Mr K. It's right it compensates him for this. I think £250 compensation is more appropriate.

**my final decision**

My final decision is that I uphold this decision against Lowell Financial Ltd and in order to settle this complaint I require them to:

- stop pursuing Mr K for the debt.
- remove associated adverse entries from his credit file.
- pay £250 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 9 May 2016.

Nicola Crabb  
**ombudsman**