

## **complaint**

Mr T complains that Lowell Financial Ltd contacted him about a debt that it had been established he was not responsible for and has placed negative information on his credit file.

## **background**

In August 2010, Mr T received a letter from Lowell saying it had bought a debt that he owed to a third party. Mr T says that this debt was not his and that it took him many calls, letters and a lot of time to get this sorted. In May 2011, Mr T received a letter from Lowell apologising and saying that this was a case of mistaken identity and enclosing a cheque for £50 for the inconvenience caused.

Mr T moved house and then in March 2014, he received a letter from Lowell with the same reference number that had previously been used, saying that he still owed payment on the debt. Mr T says he wrote to Lowell enclosing his May 2011 letter, complaining that he was being harassed for the debt. He said he then applied for a credit card upgrade which was declined. Mr T says he thinks he was declined because Lowell has placed a negative marker on his credit file.

Lowell says that it took the necessary measures in 2011 to prevent Mr T being contacted again about the debt. However, it says this action only applied to Mr T's address at that time. Because Mr T moved, and the credit reference agencies (CRAs) provided a new address, Lowell says it contacted him again. Lowell says that if Mr T had contacted the CRAs in 2011 and asked them to remove the incorrect address link then it would not have contacted him following his move. It also said that it could only remove information that it had recorded with the CRAs and that it had not recorded the address link information the CRAs hold.

The adjudicator said that Lowell did not provide Mr T with referral rights to this service in its May 2011 letter and so Mr T was not given the information of what to do if he was unhappy with the outcome. He said that Mr T had been caused distress and inconvenience by being contacted by Lowell again in March 2014, after it had said that this issue had been resolved. He also noted that Lowell had not provided Mr T with a final response letter within eight weeks. Because of this, the adjudicator said that Lowell should pay Mr T £100 to reflect the distress and inconvenience these issues had caused. He also said that Lowell should clear any searches it carried out with the credit reference agencies and provide an undertaking it will not contact him further regarding the alleged debt.

Lowell said that it had told Mr T that his address had been provided by the CRAs and that he would need to find out why. It said there was nothing it could do to stop an individual being contacted at a different address after it has been told that it has wrongly contacted that person at a previous address. It said it had not carried out any searches on Mr T's credit file but that it would arrange for any searches that have impacted his credit file to be removed. It did however say that if the information continues to be held with the CRAs, future searches of its customers credit file would continue to impact Mr T's credit file.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. My role is not to punish the business but where a mistake has been made to make sure that the customer is put back in the same position he would have been in had the mistake not been made and, where appropriate, to award compensation.

I accept that Lowell removed Mr T's address from its records in 2011 after it realised he was not responsible for the debt and that it sent Mr T a cheque for £50 for the inconvenience the issue had caused him. I also accept that in its letter dated May 2011, Lowell said that Mr T's address was provided by the CRAs and suggested that Mr T should contact the CRAs to check that the issue had been resolved. However, this letter did not provide Mr T with referral rights to this service and therefore did not give Mr T the information about what to do if he was not happy with the outcome.

I understand Lowell's comments that the block on contact was only on Mr T's address at that time. However, Mr T was told that the information had been removed from Lowell's database, so I find it reasonable that he would not expect to receive any further letters about this debt even after moving house. I understand Lowell's comments about why Mr T was contacted again. But having pursued the debt incorrectly once, when provided with a new address by the CRAs, I find it reasonable that Lowell could have carried out checks that might have identified that the address was linked to Mr T.

I accept the point that Lowell cannot guarantee that it will stop an individual being contacted at a different address after it has been told that it has wrongly contacted that person at a previous address, however I find that should this happen again to Mr T, he would be entitled to raise another complaint.

Lowell has said that it will arrange for any searches that have impacted Mr T's credit file to be removed which I find is reasonable.

Overall, I find that Mr T has been caused inconvenience and stress by being contacted again for a debt that Lowell had accepted was not his. I also find that Mr T has not been provided with the service he should have. Mr T was not provided with referral rights following his complaint in 2011 and was not provided with a final response letter within eight weeks of his complaint in 2014. Because of this, I find that compensation of £100 is fair and reasonable.

### **my final decision**

My final decision is that I uphold this complaint. I direct Lowell Financial Ltd to pay Mr T £100 compensation for the distress and inconvenience he has been caused and arrange for any searches that have impacted Mr T's credit file to be removed from his credit file.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr T to accept or reject my decision before 19 January 2015.

Jane Archer  
**ombudsman**