

complaint

Ms T complains that Lowell Portfolio I Ltd didn't do enough to verify that she was its customer before it asked her to repay a debt she doesn't owe.

background

Ms T explains that an incorrect link has been created by a third party on her credit file. Lowell relied on this and it wrote to Ms T demanding repayment of a debt. Ms T told Lowell that the debt wasn't hers and it did not write to her again about it. Lowell also told Ms T that she needed to write to the credit reference agencies to have the incorrect link removed from her credit file.

Initially our adjudicator thought that the complaint should be upheld in part because Lowell should have sent a "soft trace" letter to Ms T. Lowell replied that it was reasonable to rely on the information held by the credit reference agencies and there was no reason to suggest it was incorrect or unreliable. The adjudicator considered that this was fair and reasonable in the circumstances and agreed that Lowell wasn't responsible for recording the incorrect information so she didn't recommend that the complaint should be upheld. Ms T didn't agree and said that Lowell should have done more to verify that she was the right person before sending any letters demanding repayment.

my findings

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

It is accepted that Lowell wasn't responsible for recording the inaccurate information. The question for me to decide is whether it was reasonable for Lowell to have done more to verify that information before it wrote to Ms T.

I sympathise with Ms T and I can see that this incorrect link has caused her considerable trouble and upset. But I don't think that this is Lowell's fault. I think it is reasonable for Lowell to rely on the information from the credit reference agency as up to date and accurate. Businesses should provide accurate information to credit reference agencies and take steps quickly to remove inaccurate information. I don't think it is fair or reasonable to say that Lowell should have treated the information as unreliable and sent a soft trace letter in these circumstances. It didn't have any reason to think that the information was unreliable and I haven't seen any evidence that suggested that Lowell should carry out further checks.

Once Lowell was told of the mistake by Ms T it didn't send her any more letters and updated its own internal system. It also told Ms T how to go about getting the inaccurate link removed from her credit file. I think that this is reasonable in the circumstances and I can't ask Lowell to do any more.

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 Ms T to accept or reject my decision before 18 February 2016.

Emma Boothroyd
ombudsman