

complaint

Miss L complains that Lowell Financial Ltd didn't send her written confirmation that she'd cleared a debt - despite it promising to do so. She said this caused her worry and stress. She wants compensation.

background

Miss L tells us she finished paying a debt to Lowell - and wanted written confirmation that the matter was settled. Despite her making several phone calls and promises from Lowell that this would be done - she says the letter was never sent until she said she'd complain to us.

Lowell said it had received a cheque from Miss L which settled her account and left her £0.02 in credit. It had tried to send her a letter confirming the account closure - but the letter hadn't been sent. It accepted Miss L had made further phone calls requesting written confirmation - and had been promised this would be sent. But a system error had led to this not happening. It apologised and offered £50 compensation.

Miss L wasn't satisfied with this and complained to us.

The investigator recommended the complaint should be upheld.

He found that Miss L had phoned Lowell several times and was told each time a letter would be sent - confirming her account had been settled. This didn't happen. He said Lowell had explained a system error caused by the £0.02 credit had prevented the automated letter being sent. But as she'd phoned a number of times - and still hadn't received the letter - he could see why she'd be disappointed and frustrated. And he'd seen no evidence, prior to the final response letter, Lowell had tried to rectify the situation manually. It wasn't unheard of for consumers to be chased at a later date for a debt that had been paid. So he didn't think Miss L's request for written peace of mind was particularly demanding.

The investigator felt Lowell should pay Miss L an extra £50 for trouble and upset caused and send her a separate letter confirming the debt had been repaid.

Lowell didn't agree and asked for an ombudsman to make the final decision.

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 can understand why Miss L has suffered anxiety over this matter. She's experienced health problems and financial difficulties and has tried to act responsibly in clearing her debts. So it's entirely understandable she wanted closure and peace of mind.

I don't think Lowell deliberately failed to send the letters - I imagine it was simply a case of oversight. Its staff is presumably used to predominantly automated systems and no doubt assume any request would be actioned. It seems in this case the minimal credit balance caused a system error. On its own that would be understandable - all systems will occasionally be prone to mishap. But where the poor service really began was the failure to investigate and identify *why* the automated letter hadn't been sent. Given subsequent events

it could've been readily corrected and Miss L would've been spared the need for further phone calls and the associated anxiety.

Lowell was also aware that Miss L had some health issues. And that, taken together with the normal problems that debt has on many persons experiencing financial difficulties, should've meant it recognised the impact the situation was likely to have on Miss L. Whilst it recognised its error, I don't think it went quite far enough in the compensation offered. It took from April to July for this matter to be settled - and given her history it's understandable that Miss L experienced anxiety and concern throughout this period.

So I agree with the investigator, and for the same reasons, this complaint should be upheld and the amount of compensation for trouble and upset increased by £50.

my final decision

For the reasons given above my final decision is to uphold this complaint.

I'm ordering Lowell Financial Ltd to pay Miss L £100 in compensation for trouble and upset caused. For the avoidance of doubt this amount includes the £50 already paid. So Lowell will pay an additional £50.

If it hasn't already done so, it will also send Miss L a separate letter confirming the debt is settled and the account closed.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 4 December 2017.

Stephen D Ross
ombudsman