

complaint

Mr R has complained Lowell Portfolio I Ltd is asking him to pay for three debts which he says aren't his.

background

In July 2017 Lowell wrote to Mr R at his current address asking him to pay three debts they'd bought from their original owners. Mr R said these weren't his. Although he'd lived at the relevant address for a short time, he'd not taken out the finance agreements. Lowell believed these were his debts. They'd spoken to Mr R at previous times to agree a monthly direct debit although payments had never been made.

Mr R brought his complaint to the ombudsman service. Our adjudicator explained as two of these debts weren't regulated credit agreements we couldn't look into those. We could look into the account that was originally opened on 14 November 2008 with a catalogue shopping company as this was a regulated consumer credit agreement. Lowell were asking Mr R to pay £691.23.

After reviewing the evidence our adjudicator initially felt Lowell had done nothing wrong. However he then got a letter from the bank linked to these original credit accounts. This confirmed they agreed with Mr R this had been opened fraudulently in early 2008 and were paying him compensation.

Our adjudicator spoke to Lowell and confirmed this changed his mind. He was now asking them to stop pursuing Mr R for the debt related to the regulated credit agreement, and to wipe any reference to this from his credit record. Lowell initially accepted they'd do this. But then wrote to us saying they'd done nothing wrong. They pointed out payments had been made to the account originally which they didn't think was standard fraudulent behaviour. They asked an ombudsman to make a final decision on this 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. Having done so, I've reached roughly the same conclusion as our adjudicator. I'm also asking Lowell to pay Mr R a small amount of compensation for the trouble caused.

I appreciate Lowell's detailed points in their email of 18 January to us. I can reassure them I've considered these. And there are some oddities in what's happened: the timing of address usage, a fraudster making payments on the account and some of these accounts being for utility services. But it is not our role to investigate how the fraud happened. It looks likely these accounts were opened by someone who knew Mr R well enough to impersonate him even before he moved to the relevant address. But what I am satisfied is there's no evidence to show Mr R took these agreements out himself. Lowell has admitted they don't have a copy of the original consumer credit agreement.

What I am also clear about is the bank, who'd originally thought they had the right ID to open an account for Mr R in early 2008, has now confirmed they made a mistake. This is because Mr R has provided his current ID and driving license information to them. This bank has confirmed they've marked these accounts as closed "*under fraud impersonation*" and paid Mr R compensation.

On this evidence I can't see any reason why I wouldn't uphold Mr R's complaint. As our adjudicator confirmed, Lowell should now stop asking Mr R to pay this debt and remove any reference to it from his credit record. It seems Mr R has had to do a lot of work himself to get to where we are to show this debt isn't his. I would have expected it to be the other way round. I'd have expected Lowell to have to prove the debt was his. I'm satisfied they've not done this and continued to pursue Mr R. And seem to still be disputing this is the right answer in the face of evidence showing the involvement of a fraudulent bank account.

In light of this and the additional trouble this has caused to Mr R, I'm asking Lowell to pay him a small amount of compensation: £100.

I obviously have no jurisdiction about the other two debts Lowell owns which they'd been asking Mr R to pay. But I'm sure in them light of this decision, they'll now do the right thing there too.

my final decision

For the reasons I've given, my final decision is to instruct Lowell Portfolio I Ltd to do the following to put things right:

- To stop asking Mr R to pay a debt originally from a catalogue company;
- To remove any information about this debt from his credit record; and
- To pay Mr R £100 for the trouble caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 14 March 2018.

Sandra Quinn
ombudsman