

The complaint

Mr D has complained about Lowell Financial Ltd making an administrative error.

What happened

Lowell had purchased 6 debts of Mr D's. Mr D provided medical evidence, and Lowell agreed to write off all 6 accounts as a gesture of goodwill.

Lowell sent Mr D a letter confirming they'd closed his accounts, but this only listed 5 of the debts – one was missing. Mr D has explained that he found this very stressful.

Mr D called Lowell. Lowell apologised and confirmed that they had indeed agreed to close all 6 accounts. They explained that it was just a system error as the remaining account had previously been assigned to another company. They confirmed they'd sort it out right away. Lowell then sent a follow-up email confirming again that all 6 accounts had a zero balance and were closed.

Mr D complained. Lowell apologised once more, confirmed again that it had just been a system error, and confirmed again that all 6 accounts had been closed and Mr D would not be pursued any further. They offered him £20 compensation.

Mr D came to our service. Our investigator looked into things independently and found that Lowell's offer was fair. Mr D asked for an ombudsman to look at the case afresh, so the complaint's been passed to me to decide.

What I've decided – and why

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

I do understand how it might have been distressing to think that one of the accounts was not being closed when it was supposed to be.

So I'm glad to see that when Mr D called, Lowell apologised, explained things, confirmed all the accounts would be closed, and sent a further email confirmation. I find they handled the matter well. I did not find anything unreasonable in the way they spoke to Mr D.

Mr D recalled that Lowell told him if he hadn't phoned, then the last account would've never closed. I've listened to the call involved. Mr D asked the staff member if the account would've closed or remained open if he hadn't called. The staff member said they weren't 100% sure but they'd get it sorted for him now. They did not say the account would've never closed. And I can see from Lowell's internal system that they did indeed put that account through for closure on the same day as the others. It just took a little longer to close because it had been with another company. So I hope I can reassure Mr D that Lowell stayed true to what they told him and did not try to keep that account open.

Ultimately, while I understand where Mr D is coming from, this was a simple administrative error which was sorted out quickly following a short phone call. Lowell did not attempt to pursue Mr D for the account, and I can't see that he was sent any chasers for money after they agreed to close it.

Of course, as I noted above, I do agree that Lowell initially made an error in leaving the account off their letter, and that it caused Mr D some degree of distress. When it comes to putting things right, I understand that Mr D would like an apology from Lowell. The problem is that if I were to tell Lowell to apologise, their apology would seem forced rather than genuine – they'd be saying sorry because I told them to. Further, I can see that Lowell have already apologised more than once, and that clearly has not repaired their relationship with Mr D. So I don't think another apology is likely to help. Similarly, I note Mr D wants us to tell Lowell to thank him for raising the issue, but that would also seem forced, and is ultimately unnecessary.

Instead, we often tell businesses to pay compensation, to recognise what they got wrong and the impact it had. In terms of the amounts, it's worth bearing in mind that we're here to resolve complaints informally, and not to punish businesses. We're also not a regulator and don't issue fines. And as I found above, this was a simple error which was resolved quickly, took minimal effort to sort out, and didn't cause any material losses other than the initial distress and the need to make a phone call. I also note that Lowell wrote off quite a bit of debt for Mr D when they didn't strictly have to. I find that Lowell's offer of £20 compensation is more than fair to put things right here.

My final decision

For the reasons I've explained, I think Lowell Financial Ltd have already made a fair offer to resolve this complaint. I don't make any further award. Lowell Financial Ltd should pay Mr D the compensation offered, if they haven't done so already.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 30 August 2023.

Adam Charles
Ombudsman