

The complaint

Mrs H has complained that Lowell Portfolio I Ltd have been pursuing her for a debt which she thinks was written off.

What happened

This complaint surrounds a credit card account which was opened in 2013, defaulted in 2019, and then was sold to Hoist shortly afterwards. Lowell then bought Hoist and took on responsibility for the account.

Mrs H says that Hoist told her she didn't have to worry about the debt, and she thought that either they or the original lender had written it off. She also complained about the way the original lender treated her, noting they said they'd reduce the balance by £125.

Lowell says the debt was never written off and is still outstanding. They reduced the balance by £125 to account for what the original lender had said, and offered Mrs H a further £75 compensation for the lack of updates she'd received from Hoist.

Our investigator looked into things independently and found Lowell's offer was fair. Mrs H asked for her case to be looked at 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.

To clarify, in this complaint about Lowell, I can only hold Lowell responsible for their own actions and the actions of Hoist, which they bought out. While I understand that Mrs H is most unhappy with the original lender, they are very much a separate business from Lowell, and I cannot hold Lowell responsible for things the original lender did.

Turning to the status of the account, I have gone through Lowell, Hoist, and the original lender's records, which detail everything that happened with this account. There is no record of it ever being written off, nor of a write-off even being considered. Mrs H says she got a letter confirming the write off, but she's been unable to provide a copy, and there's also no record of such a letter ever being sent to her. And I can't see that any of the businesses involved were given sufficient reason to need to write off the debt.

So none of the parties involved have any evidence which substantiates that this account was written off. On the other hand, the account's records set out clearly that the debt is still active and owed. And I have to base my decision on what the evidence shows. So I find that Mrs H still owes the outstanding balance to Lowell.

I do note that Hoist put the account on hold for some time, while the original lender dealt with a complaint about the default and a balance reduction. It may be that Mrs H mistook this hold for a write off, and I could understand where such a misconception might come from. But to clarify: this was just a temporary hold, even if it lasted for a while. It was not a write off. As far as I can see, this debt was not written off, and is still outstanding.

Lowell have offered Mrs H £75 compensation, to recognise that Hoist's delays in updating her may have caused some confusion and frustration. I find that offer to be fair.

Mrs H mentioned that she was going through a tough time more generally, and I'm grateful to her for being open and candid about this. I should explain that Lowell were not required to write off this account in light of her mental health situation, not least as from what she'd told them, she was still able to deal with the account. But I can see they did pass her account to a specialist support team, which was a reasonable response in this case.

Lowell also reduced the balance by £125, as the original lender had said they would, and I find that to be fair and reasonable too.

I hope I can assure Mrs H that she'll only be expected to make repayments based on what she can actually afford – and I can see that's what Lowell have asked for. Mrs H may want to get back in touch with Lowell to see what assistance they can give her in repaying the money she owes. I can see they've also sent her the details for charities who can give her free, impartial advice about dealing with debt. And Mrs H can get back in touch with our service in future for a separate case, if she later feels that Lowell aren't taking account of what she can afford when working out a payment plan.

But as things stand now, I find that Lowell have already dealt with this complaint reasonably, and I think it's fair for them to contact Mrs H and ask her for repayment of the money she owes them.

My final decision

For the reasons I've explained, I find that Lowell Portfolio I Ltd have already dealt with this matter fairly. I make no further award.

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 Mrs H to accept or reject my decision before 18 December 2023.

Adam Charles
Ombudsman