

The complaint

Mr A complains about difficulties obtaining a copy of the original credit agreement and account history from Lowell Financial Ltd in relation to a debt it acquired in his name.

What happened

Mr A had a credit card with a business that was closed at default in November 2009 with an outstanding balance of £3,577.81. The original lender went on to pass the outstanding balance to a business I'll call C. In July 2015 another business that I'll refer to as H acquired the account from C. In October 2022 H was acquired by Lowell which took ownership of her account. Lowell sent Mr A a Notice of Assignment confirming the change in arrangements in March 2023.

Mr A was making payments of £10 a month towards the outstanding balance. When Lowell acquired the account, Mr A asked it to obtain copies of the original credit agreement and account history for the outstanding balance. Lowell wasn't able to obtain a copy of the original credit agreement. Lowell issued a final response on 7 August 2023 that said the original credit agreement and statement of account was unavailable. But Lowell was subsequently able to get a copy of the original transaction history from the original lender.

Mr A's complaint was referred to this service and passed to an investigator. In its file submission, Lowell advised it had obtained the transaction history from the original lender but failed to forward it to Mr A for around two months. The investigator forwarded the information obtained to Mr A's representative. The investigator upheld Mr A's complaint and asked Lowell to pay him £100 to reflect the distress and inconvenience caused by the delay in forwarding the account history obtained.

Mr A's representative asked to appeal and said that whilst he was willing to accept £100 in respect of the service provided by Lowell they thought it as unfair that a large balance remained. The investigator advised that Mr A's complaint had been made on the basis that Lowell had been unable to supply a copy of the original credit agreement and account history, not the outstanding balance. The investigator said Mr A would need to raise a separate complaint about whether the balance Lowell is seeking to collect is valid. As Mr A asked to appeal his complaint has been passed to me to make a decision.

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'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

As our investigator said, the Financial Ombudsman Service can't consider a complaint issue until the respondent business has had a chance to investigate and respond. I've looked at Mr A's complaint to Lowell and I'm satisfied it focused on the lack of original credit agreement and transaction history. But Lowell has since confirmed that there is no copy of the original credit agreement available. Lowell was able to provide a full copy of the transaction history for Mr A's credit card with the original lender that has now been forwarded to him, albeit later than expected. If, having now reviewed the statement evidence provided, Mr A wishes to complain that the account either wasn't his or that the balance Lowell is seeking to collect is wrong, he'll need to raise that as a new complaint. Lowell will then be obliged to investigate and issue a final response. At that point, Mr A would be able to refer a complaint about whether the outstanding balance is correct or not to the Financial Ombudsman Service. But we can't look at this complaint point until Lowell has been given the opportunity to investigate and respond first.

Lowell has confirmed the original credit agreement is no longer available from H. Whether that makes the debt unenforceable would be a matter for the courts to decide. But Lowell has provided a transaction history that confirms the default balance of £3,577.81 in November 2009. So whilst I understand Mr A remains unhappy Lowell is seeking repayment for the balance it says remains outstanding, I'm satisfied it has made efforts to comply with his request for the original credit agreement and account history.

Lowell received the transaction history on 14 August 2023 but failed to forward it to Mr A. I agree with the investigator that there was an unreasonable delay in forwarding the transaction history to Mr A and that a payment of £100 fairly reflects the level of distress and inconvenience caused. As a result, I'm going to proceed on that basis, uphold Mr A's complaint and direct Lowell to pay him £100.

My final decision

My decision is that I uphold Mr A's complaint and direct Lowell Financial Ltd to settle by paying him £100 for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 9 January 2024.

Marco Manente
Ombudsman