

## The complaint

Mr F has complained that Lantern Debt Recovery Services Ltd are pursuing him for a debt which he says is not his.

## What happened

This complaint is about a short-term loan that was taken out in 2017 and sold to Lantern in 2021. The original creditor has gone into administration.

Mr F says he never took out the loan. He explained it was probably his ex-partner, who took out debts in his name and intercepted the post.

Our investigator didn't uphold the complaint. Mr F asked for an ombudsman to look at things afresh, so the complaint was passed to me to decide.

I sent Mr F and Lantern a provisional decision on 28 April 2022, to explain why I thought the complaint should be upheld. In that decision, I said:

*With a complaint like this, we'd often look at things against the original creditor, as they're the ones who originally did the lending that's now in dispute. But the original creditor went into administration. So it seems most appropriate to look at this against Lantern, who are the debt's current owners. What I need to consider is whether they are entitled to pursue Mr F for this account or not.*

*Broadly speaking, the onus is on Lantern to show that they are entitled to pursue Mr F for this debt.*

*Lantern were able to provide a credit agreement and statements. But the agreement only contains basic details of Mr F's like his name and address, which would have been relatively easy to obtain. And I've not seen anything to show that the electronic signature was made by Mr F. So there's little there to substantially say this was Mr F's account.*

*The statements do not show where the loan funds were paid to, nor where any repayments came from. So I've got nothing to show that Mr F received the loan or benefitted from it, nor that he acknowledged it through making repayments himself.*

*Normally, in this kind of situation I'd need the debt owner to provide some substantial evidence that this particular person owed the debt. For example, this could be things like a credit agreement with a corroborated signature, records of the checks that were carried out at the time, records showing that the loan was paid to that customer's bank account, records of historic successful contact with the customer, and so on. But Lantern don't appear to be able to provide such evidence here.*

*I do understand that Lantern have had trouble getting documents from the original lender, given that they went into administration. But if Lantern can't reasonably evidence that this was Mr F's account, then I can't fairly say that they can continue pursuing him.*

*Further, Mr F's current account provider confirmed that back in 2017, there's no record of him receiving the loan funds into his current account or making any repayments. While I do acknowledge it's possible that the funds went to a different account of his, it does tend to indicate that this loan might not have been Mr F's.*

*So based on what I've seen so far, I'm minded to direct Lantern to stop pursuing Mr F for this debt. Of course, if Lantern provide substantial evidence that Mr F owes them this money – and before this provisional decision's deadline – then I'll be open to reconsidering this.*

I said I'd consider anything else anyone wanted to give me – so long as I received it by 26 May 2022.

### **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.

Lantern didn't add any further evidence or arguments. So for the reasons set out in my provisional decision above, I find that Lantern haven't been able to show they're entitled to continue pursuing Mr F.

Mr F raised concerns about the debt being sold on and a new company chasing him instead, and I understand what he's coming from. To be clear, I expect Lantern to disassociate the account from Mr F such that he's no longer chased for it at all.

### **Putting things right**

I direct Lantern Debt Recovery Services Ltd to:

- Take the account out of Mr F's name and cease him pursuing for it; and-
- Remove their related entries from his credit file.

### **My final decision**

I uphold Mr F's complaint, and direct Lantern Debt Recovery Services Ltd to put things right in the way I set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 23 June 2022.

Adam Charles  
**Ombudsman**