

## **The complaint**

Mr L complains that Bank of Scotland plc (Halifax) referred his credit card account to a debt collection agency whilst he had an ongoing complaint on a separate issue. He would like Halifax to remit his debt and to instruct the debt collection agency to stop chasing him.

## **What happened**

Our investigator's background summary covered all the relevant facts and issues, and is known to both Mr L and Halifax, so there is no need for me to repeat it all again here in any great detail. Instead I will focus on giving the reasons for my decision. So, if I've not mentioned something it's not because I've ignored it, rather it's because I don't think it's of direct relevance to the issues I need to deal with.

Mr L made a complaint to Halifax regarding a PPI issue, which was referred to this service and has been dealt with under a separate complaint. Whilst that complaint was being investigated Halifax referred his credit card debt to their external debt collection agency with instructions to recover it.

Mr L is unhappy that Halifax took that action and feels it was morally wrong. He complains that he was harassed by the agency and Halifax's behaviour has been unacceptable. Halifax said that it followed its own procedures for recovering the debt and had acted in accordance with the terms and conditions of the account. It did not accept that it had acted unfairly.

Mr L was unhappy with Halifax's final response and so brought the complaint to this service and our investigator looked into it. Having done so, the investigator didn't think that Halifax had done anything wrong.

Mr L didn't agree with that and asked that the complaint be passed to an Ombudsman for a final 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.

The role of the Financial Ombudsman Service is to mediate individual disputes between consumers and businesses, and to award redress where it is appropriate.

I have taken into account both sides' views in considering whether Halifax acted fairly and reasonably. I've looked at the issues raised and considered all the available evidence. I have to make an independent decision about what I think is right for each case, and that's what I've done here. And in this case, I don't think that Halifax has done anything wrong. I'll explain why.

The starting point in this complaint is that Halifax did not agree to suspend recovery action or otherwise stop it. That said they followed their usual process for recovering debts and acted in accordance with the terms and conditions on the account which say;

*We may transfer any or all of our rights or duties under this agreement to another organisation (including organisations outside the European Economic Area). If we do this, we may let them have any information about you or an additional cardholder. We may also arrange for any other person to carry out our rights or duties under this agreement. Your rights under this agreement and your legal rights (including under the Consumer Credit Act 1974) will not be affected."*

So in considering the reasonableness or fairness of Halifax's actions I need to take account of the fact that they were owed a fair amount of money which they wished to recover, and that Mr L had agreed to the passing of his account to a debt collector, as evidenced by the terms and conditions.

If Halifax had made a subsequent separate agreement not to pass the account to a debt collector, but had then done so, that would be a different issue, but they didn't. And they also didn't make any agreement not to pass the account to a debt collection agency during the currency of his separate complaint.

I appreciate Mr L feels Halifax ought not to have done this anyway, but I can't see that there is any good reason for them not to, since the money was owed and due. So I can't say Halifax have acted unfairly, since they have abided by the agreement.

Our service doesn't have the power to make rules for financial businesses, assess or direct that they change their policy or procedures, or indeed punish them. We only look at what happened in the circumstances of the individual complaint and check that Halifax follow its rules and procedures and is applying them fairly to all customers. And here they did.

As Mr L's complaint is purely about Halifax passing the credit card debt to debt collectors I have not looked at anything else.

So, although Mr L will probably be disappointed with my decision, I can't say Halifax has acted unfairly or unreasonably here and I'm not upholding this complaint.

### **My final decision**

For the reasons set out above I do not uphold the complaint against Bank of Scotland plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 24 June 2020.

Jonathan Willis  
**Ombudsman**