

The complaint

Mr D complains that Vanquis Bank Limited sold his credit card debt fraudulently and the Notice of Assignment (NOA) was signed by a person who doesn't work at Vanquis and so he believes it was forged.

What happened

In November 2019 Mr D complained to Vanquis that his credit card debt had been sold improperly to a debt collection agency, LPIL. The debt was sold in September. He said communication he had received concerning the debt quoted several different company names for this agency e.g. L, L Ltd, LFL, LPIL. Mr D said no one at Vanquis could tell him which specific company had bought the debt. He said Vanquis was in breach of the Financial Conduct Authority (FCA) guidelines. He was aware Vanquis had a right to sell the debt but that it should go to a proper company. He said Vanquis had breached his account terms and conditions.

Mr D said further evidence that this sale was conducted fraudulently was the letter he had received after the debt was sold. Mr D received the NOA from Vanquis on 15 October and it was signed by a Mr RT. After doing his own research Mr D said there was no such person at Vanquis. He said there was a Mr ST. He said the letter must have been forged and LPIL was not legitimate.

In its final response Vanquis said it was satisfied it had acted correctly with the sale of Mr D's account to the debt collection agency.

Mr D disagreed and brought his complaint to this service. He said he was unhappy the debt had been sold improperly to a debt collection agency. He wanted to know which company the debt had been sold to and why the name of the person who signed the debt sale was Mr RT when there was no Mr RT working there. He wanted to know why it was common practice to put a different name on the notice of assignment.

Our investigator concluded Vanquis hadn't done anything wrong. She said Mr RT is someone that works at Vanquis but couldn't release further details because it was commercially sensitive. And she was satisfied the two letters Mr D received dated 15 October explained which company had bought the debt.

Mr D didn't agree. He said the investigator hadn't been impartial and took Vanquis at its word. He said she'd said the debt was sold to L but there is no such company as L.

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 realise this will come as a disappointment to Mr D but having done so I won't be asking Vanquis to do anything further.

I've read in the file Mr D has also brought a complaint about our service concerning the way the complaint has been dealt with as well as additional comments relating to the debt collection agency which has led to a complaint against it. I can see that these have been dealt with separately. In this decision I will only look at the merits of Mr D's complaint against Vanquis.

There is also communication in the file with Vanquis and Mr D relating to additional complaint points concerning a letter of authority which, as agreed with Vanquis, I will respond to in this decision.

Mr D is concerned Vanquis has sold his debt fraudulently and one reason for this is confusion over the name of the business that bought the debt. Vanquis sent a notice of assignment to Mr D on 15 October 2019. It said Vanquis had sold Mr D's account to LPIL. The letter said this meant Vanquis no longer owned Mr D's account and it was now owned by LPIL. The letter went on to say that LFL had been appointed by LPIL to manage the account. It said Mr D should contact LFL to discuss repayment of the account. It included contact details of LFL. The email address showed the domain name of LG. The letter went on to mention LPIL a further two times.

I can understand why Mr D might be confused by LPIL's business names as three different versions of it appear. But I can reassure Mr D that both LPIL and LFL are authorised and regulated by the Financial Conduct Authority (FCA) so Mr D need not be concerned that these are not legitimate businesses. And it is not unusual for the new owner of the debt, in this case LPIL, to appoint another company, even within its own business, in this case LFL, to manage the account.

Mr D had numerous phone calls to Vanquis and he said it wasn't able to say who had bought the debt. I listened to a recording of four calls. I do think the operators could have explained to Mr D the relationship between LPIL and LFL better rather than simply referring to L. But I'm satisfied the letter Vanquis sent to Mr D was very clear as to which company bought the debt.

Mr D has also queried the name of the person who signed the NOA. As this is a reference to a specific named employee of Vanquis I shall refer to him as Mr RT – these are not his real initials. Mr D said the NOA was signed by Mr RT but through his own research he knows there is no such person with that name at Vanquis, but there is a Mr ST. Mr D has also said the letter from Vanquis was also forged and not sent with the proper authority. He said LPIL didn't have permission to write letters on behalf of Vanquis.

Vanquis has confirmed to this service that LPIL did have permission to write the letter to Mr D. This letter is part of the process of an agreement between Vanquis and LPIL. It's not my role to comment on the business processes of an organisation. Vanquis has also explained to this service that Mr RT is definitely an employee. I'm satisfied that Vanquis would know whether a letter sent by LPIL on its behalf was forged or not and it says it is not forged. It has also explained to me the sensitive commercial reasons why the NOA is signed from Mr RT and I'm satisfied there is no cause for concern.

Mr D is concerned about our impartiality and that we've just taken Vanquis at its word. I'm sorry Mr D feels this way. I'd like to reassure him that I have been impartial. There is no evidence that the debt was sold improperly and while it could have been clearer with Mr D over the phone I'm satisfied Vanquis has not acted improperly.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 9 February 2021.

Maxine Sutton
Ombudsman