

The complaint

Mr B has complained that BW Legal Services Limited are chasing him for a debt which he feels they haven't proven.

What happened

This complaint is about a loan from 2019, which was sold from the original creditor to a new owner in October 2020. The new owner brought on BW Legal to manage the account on their behalf.

Mr B says he wants proof that the debt has been properly purchased – specifically, the deed of assignment. Otherwise, he feels the debt is only alleged. He feels that BW Legal are harassing him. He also says the original creditor wrote off his debt.

Our investigator looked into things independently and didn't uphold the complaint. They were satisfied this was Mr B's genuine debt, which had been sold to the new owner, and so it was fair for BW Legal to contact him about it.

Mr B didn't agree, 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.

Having done that, I've come to the same conclusions as our investigator, and for much the same reasons.

I can understand if Mr B wanted to make sure that he really did owe this debt to the current owner, as he wouldn't want to pay the wrong people.

I've looked carefully at the evidence, including the credit agreement in Mr B's name – which confirms the loan was paid into his genuine bank account. I've also looked at the statement of account, which confirms the balance. And at the notice of assignment, where the original lender confirmed they'd sold Mr B's debt to the new owner. I've certainly not seen any compelling evidence to suggest that this is *not* Mr B's account. I'm satisfied that it is his debt. And so I think it's fair that BW Legal have been pursuing him for it.

BW Legal have provided the relevant notice of assignment, which I think is sufficient to show that the new owner owns the debt. It's not clear why Mr B would also like to see the *deed* of assignment, which is a private document between the original creditor and the current owner. The deed would contain business-sensitive information, but would not contain anything that Mr B needs to see, and BW Legal did not have an obligation to provide this document to him. So I think it's reasonable that they haven't.

I also think it was reasonable that BW Legal asked Mr B to pay back the debt that he owed. And I can't see that BW Legal communicated with Mr B excessively or unreasonably.

Amongst his correspondence, Mr B made some points surrounding the enforceability of the debt. As our investigator explained, only a court can look at whether a debt is legally enforceable or not – that's not something I have the power to determine. With that said, I am aware that there are websites and forums that make big promises about clearing debts using obscure legal arguments. Just in case Mr B has been relying on those, I would warn that if something seems too good to be true, it usually is. I'd strongly recommend seeking legal advice from a properly qualified and verified person before attempting to use those same kinds of arguments in a court.

Mr B pointed out that the original creditor have recorded the debt as being written off on their end, and I can completely understand why he raised this. That's normally just a way of reflecting that Mr B doesn't owe the original lender the money anymore – because he owes it to the new owner instead, who BW Legal are working on behalf of. It's worth noting that the write-off on the original creditor's system is recorded from the same time the debt was sold to the current owner. If the original creditor *hadn't* written the debt off on their end, then the records could have potentially shown that Mr B owed the debt to both the original creditor and the new owner at the same time – and of course that wouldn't have been right. But just to clarify, the debt does still exist, and Mr B does still owe it – just to the current owner instead of the original lender. As our investigator said, he is also free to contact the original creditor or complain about them separately if he feels they've mis-recorded things.

I hope I can reassure Mr B that it is quite normal for debts to be bought like this, and that BW Legal still have a duty to deal with him appropriately, including setting up repayments that are affordable. He might want to get back in touch with BW Legal to see what assistance they can offer him in repaying the debt. I've also sent Mr B the details of charities who can give him free advice and help in dealing with debts. And he can always get back in touch with our service as a separate complaint if he later feels that BW Legal aren't taking his situation into account when working out how to repay the debt.

But as things stand now, I think BW Legal have acted fairly, and I think it's reasonable for them to ask Mr B to repay the money he owes.

My final decision

For the reasons I've explained, I don't uphold Mr B's complaint in this case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 16 June 2021.

Adam Charles
Ombudsman