

The complaint

Mr W is unhappy that Bank of Scotland plc, trading as Halifax UK, sold a debt to a debt purchasing company which he feels they should have written off.

What happened

Mr W opened a student account with Halifax in 2008. The account became overdrawn and was defaulted by Halifax in April 2015.

In 2020, Mr W raised a complaint with Halifax because he'd been contacted by a debt purchasing company about this debt. Mr W felt that he hadn't been contacted about this account since 2010 and that as such Halifax should have written the debt off rather than sold it on.

Halifax looked at Mr W's complaint, but they noted that the account had been in use throughout 2014 and had been defaulted in 2015. Because of this, Halifax felt that they hadn't done anything wrong in selling on this debt, and they didn't uphold Mr W's complaint.

Mr W wasn't satisfied with Halifax's response, so he referred his complaint to this service. One of our investigators looked at this complaint. But they also felt that Halifax hadn't done anything wrong in selling on the debt, so they also didn't uphold this complaint.

Mr W remained dissatisfied, so the matter was escalated 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.

Mr W believes that this debt may be unenforceable because he hadn't had any contact about the debt since 2010, and that because of this Halifax should have written off the debt and have acted unfairly by selling the debt to a debt purchasing company they did.

It can be the case that some debts can become unenforceable if the account holder hasn't taken any action towards the debt in over six years. However, it's evident from the account information provided to me that Mr W was using the account in 2014 and that the account then subsequently defaulted in 2015. It's also evident that Mr W was making payments towards the defaulted account until 2017, as demonstrated by the account statements.

As such, I'm satisfied that Mr W has taken action toward this debt up until at least 2017, and this means I'm satisfied that Halifax weren't acting unfairly – and were acting within their rights – when they sold the debt to the debt purchasing company that subsequently contacted Mr W.

It also must be noted that Halifax have been able to demonstrate that Mr W elected for paperless statements on this account, meaning that correspondence would, for the most

part, be sent electronically. As such, it was Mr W's responsibility to monitor the correspondence issued by Halifax on this account, and this means that I'm satisfied that Mr W not receiving paper statements or other paper correspondence has no bearing on the fairness of Halifax selling the debt to the debt purchasing company as explained above.

All of which means I find it difficult to conclude that Halifax have acted in any way unfairly or unreasonably here, and it follows that I won't be upholding this complaint or instructing Halifax to take any further action.

I realise that this won't be the outcome that Mr W wanted, but I trust that he will understand, given what I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 11 November 2021.

Paul Cooper
Ombudsman