

## **The complaint**

Mr S complains that BW Legal Services Limited is pursuing him for a debt without providing evidence it has authority to do so.

## **What happened**

Mr S had a credit card with another business (C). Mr S has explained that after a period of working abroad he experienced ill health. As a result, his credit card fell into arrears.

In February 2020 C sold the credit card debt to another business (J). A notice of assignment was sent to Mr S in February 2020 that said J had acquired the debt from C.

In December 2020 J appointed BW Legal to contact Mr S and collect the outstanding balance. Mr S has explained he asked for evidence J and BW Legal were entitled to collect the outstanding balance but none was provided. Mr S asked BW Legal to send him a copy of the deed of assignment but it refused and said the information was privileged.

Mr S referred his concerns about BW Legal to this service and his complaint was considered by an investigator. They thought BW Legal had provided the necessary information to show it was acting legitimately when contacting Mr S about the debt. Mr S asked to appeal and said he wanted to see the written contract between C and J. Mr S said it was unclear who legally owned the debt. As Mr S asked to appeal, his complaint has been passed to me to make a 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 S has told us he hasn't received anything from C that confirms it sold the debt to J. I can see Mr S has requested a copy of the deed of assignment but BW Legal has explained it isn't required to provide a copy. I've looked at the rules set out in the Financial Conduct Authority Handbook concerning how debts are assigned. There are rules in place that say what information a business has to send a consumer when a debt is assigned to a new owner. CONC 6.5.2 says:

*Where rights of a lender under a regulated credit agreement are assigned to a firm, that firm must arrange for a notice of assignment to be given to the customer.*

As set out above, there is a requirement for a notice of assignment to be sent when a debt is sold. But there's nothing in the rules that says a business has to provide a copy of the deed of assignment when requested to do so by a customer. So I can't say BW Legal has acted unfairly by declining Mr S' request.

I've considered whether BW Legal has provided sufficient information to show it's acting reasonably by contacting Mr S about the debt in question. As I've noted above, the

regulations says a notice of assignment should be sent to a customer when a debt is sold to a new owner. And I'm satisfied that step was followed in February 2020.

BW Legal has also provided a copy of the original loan agreement and associated terms. I note that under section 13.10 of the terms it says the original lender can assign the outstanding balance to a new provider. I also note that BW Legal was able to obtain credit card statements and other associated information about Mr S' account from the original lender. I think that shows there's an arrangement in place for information to be shared between the businesses involved.

As I've said above, the rules say a business has to notify a customer the ownership of the debt has changed by sending a notice of assignment. BW Legal has provided a copy of the notice of assignment that explains J became owner of the debt in February 2020. And in December 2020 J wrote to Mr S to advise BW Legal had been appointed to act on its behalf. I'm satisfied BW Legal has given Mr S the relevant information required to show it has authority to contact him about the outstanding balance.

Mr S has told us he hasn't received any confirmation from the original lender that the debt was sold to J. In this decision I'm only able to look at BW Legal's actions. But Mr S is free to ask C to provide confirmation if required.

I haven't seen anything that shows BW Legal has treated Mr S unfairly in this case. As a result, I'm not telling it to take any further action.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 10 December 2021.

Marco Manente  
**Ombudsman**