

## **The complaint**

Mr S complains that TSB Bank plc (“TSB”) didn’t tell him he had an outstanding overdraft balance to pay and he’s unhappy it sold his account to a third party without prior notice.

## **What happened**

In April 2020, TSB wrote to Mr S and explained in January 2020 it had sold the rights for Mr S’ current account to a third party who I’ll refer to as G. It explained Mr S owed the outstanding balance to G and not TSB. So any payments Mr S had paid to TSB since 24 January 2020 would be returned to Mr S.

Mr S wrote to TSB and said the letter was difficult to comprehend and it was confusing. He asked TSB to send him details of all transactions between 4 December 2007 and January 2020.

G also wrote to Mr S separately and sent him a notice of assignment. This was sent to explain his current account had been assigned to it from TSB since 24 January 2020. As it didn’t receive contact from Mr S, it sent him a reminder letter on 23 April 2020. Mr S wrote to it on 29 April 2020 and explained he wasn’t aware he had an outstanding balance. So he asked G to provide him with the details of how the overdraft had accrued. G responded on 27 May 2020 and explained it had referred Mr G’s complaint to TSB.

TSB looked into Mr S’ complaint in July 2020. It said it had sent Mr S an arrears letter in January 2015, followed by a formal demand letter. It said it registered a default on his credit file and passed the account to three debt collection agencies. As the debt collection agencies were unable to contact Mr S, TSB made a decision to sell the account to G.

Unhappy with this, Mr S referred his complaint to our service. He said TSB refused to send him bank statements to him, it didn’t discuss selling his account to G with him before it sold it and it didn’t explain how the overdraft amount had accrued.

Our adjudicator looked into the complaint but didn’t think TSB did anything wrong. He said Mr S owed the balance of the overdraft and it was correct to default his account. He also said TSB was entitled to sell the account given it had tried to recover the debt from Mr S through a number of different debt collection agencies unsuccessfully.

Mr S disagreed. He said he wasn’t in the UK between 10 May 2013 and 15 October 2015 and said it was unfortunate money was withdrawn from his account during this period. He said he would pay TSB the outstanding balance through an agreed repayment plan. But he’d pay TSB directly, not to G.

Mr S remains in disagreement, so the case has been passed to me to decide.

I haven’t considered the impact of Mr S saying he wasn’t in the country between 10 May 2013 and 15 October 2015, as Mr S hasn’t made this complaint to TSB previously. If Mr S is alleging he didn’t make or authorise payments during this time, he needs to complain to TSB separately about this. However, given the time that has now passed, it may be too late for him to bring a complaint about this.

## **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 isn't disputing that he owes an outstanding balance on his overdraft. But he says that he should be able to pay this amount to TSB not G. So I've considered whether TSB should reobtain the debt so that Mr S can make payments to TSB directly. And having done so, I don't think it should. I'll explain why.

I can see TSB tried to reach Mr S after his account was in overdraft and when it couldn't reach him, it passed the account to three different debt collection agencies between February 2015 and December 2015. As the attempts by the debt collection agencies to contact Mr S were also unsuccessful, TSB sold the account to G in January 2020. This is a commercial decision it is allowed to make.

TSB didn't have to tell Mr S it had sold his account either. I'll explain why.

TSB is authorised and regulated by Financial Conduct Authority, so it follows the FCA's rules in respect of consumer credit activities. Part of these rules are set out in The Consumer Credit Sourcebook (CONC) which sets out specific rules and guidance firms must follow when carrying out credit regulated activities and ancillary activities.

CONC 6.5.2.4 (1) states:

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

- 1. (a) as soon as reasonably possible; or*  
*(b) if, after the assignment, the arrangements for servicing the credit under the agreement do not change as far as the customer is concerned, on or before the first occasion they do."*

In this case, the firm is G. So TSB didn't have to tell Mr S it had assigned the rights to his account to G. This was G's responsibility as it now owned the debt. I do understand why Mr S may feel that this is a matter between him and TSB. But as TSB assigned the debt as it was entitled to, I don't think it did anything wrong here. And I can only recommend Mr S contacts G to make the outstanding repayment, or reach an arrangement to do so.

### **My final decision**

I don't uphold Mr S' complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 8 February 2022.

Sonia Ahmed  
**Ombudsman**