

The complaint

Mr G complains that Progressive Money Limited (PML) sold his debt when they shouldn't have and delayed in telling him.

What happened

Mr G took out a loan with PML in 2017. He defaulted on this arrangement shortly after. He subsequently arranged a payment plan with them in April 2021 to pay £6 per month.

Mr G is disabled and lives abroad with his wife, who also suffers from ill health.

In June 2021 Mr G received a letter from PML advising him that the debt had been sold to a debt purchase company who had appointed a collection agent to collect the debt on their behalf.

Mr G says that he hadn't been told, and he thinks that they should have told him before they sold it and so he complained.

In July 2021 PML issued their final response. They said that during early 2021 they were in discussions with a company to take assignment of all their unsecured loans, one of which was Mr G's. That reassignment took place in April, and customers were then notified in June. PML had continued to manage the accounts until June.

Mr G was unhappy with this response and so he brought his complaint to us. He also said that he didn't think PML were allowed to sell the loan.

One of our investigators looked into Mr G's complaint but she thought that PML had done nothing wrong.

Mr G asked for an ombudsman's decision and so it has come to me to review.

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 am not upholding this complaint and I will explain why below.

I have considered whether PML have acted fairly and reasonably, and within the terms and conditions of the agreement when they sold the loan on to another company.

Section 11 (f) of the Terms and Conditions of the loan agreement say *"We may transfer our rights and responsibilities under this agreement to another person subject to any restriction imposed on us by the Consumer Credit Act 1974 or by rules made by the Financial Conduct Authority. We will arrange for notice of the assignment to be given to the Debtor(a) as soon as reasonably possible, or (b) if, after assignment, the arrangements for servicing the credit under the Agreement do not change as far as the Debtor is concerned, on or before the first*

occasion that they do. This will not take away any of your rights or responsibilities under this agreement to another person”.

When Mr G signed the agreement to borrow the money, he agreed to these terms which include the right to transfer the debt on. So, I don't think that PML have done anything wrong in selling the debt on to another company.

I have also thought about whether PML have provided Mr G with enough information about the sale, and early enough. The terms and conditions say they have to notify you “as soon as reasonably possible” about any transfer. PML have explained that they were negotiating the sale in early 2021 and managing the account between April and June themselves. They notified Mr G on 15 June 2021. I wouldn't expect PML to tell customers when they are negotiating any sale as it's a business matter, and until the transfer took place it isn't certain.

The transfer seems to have taken place in April, but Mr G wasn't notified till June. I don't know why there was a delay, and PML haven't offered any explanation. However, I don't think PML have done anything wrong here as they were continuing to manage the debt themselves until June, and ultimately, Mr G wasn't disadvantaged by this slight delay in informing him. He was still able to make the agreed repayments, and even if he had known about it earlier it wouldn't have changed the fact that the debt was sold as PML were still within their rights to do so.

The e mail PML sent to Mr G in June gave him all the information he needed about who was collecting the payments, how to contact them to discuss making payments, and what to do if he was experiencing any financial difficulties in meeting the payment. I think this information is comprehensive and accurate, and I don't think PML have acted unfairly here.

I appreciate that Mr G and his wife both have health issues and have felt stressed by the transfer of this debt to another company, but I can't see that PML have done anything wrong in selling this debt, nor in the information they have provided.

My final decision

My decision is that I am not upholding Mr G's complaint and so Progressive Money Limited need not do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 15 March 2022.

Joanne Ward
Ombudsman