

The complaint

Mr D is unhappy that Capital One (Europe) plc sold his account to a debt purchasing company (DPC) but can't confirm to which exact company within the DPC's group it was sold to.

What happened

Capital One defaulted Mr D's credit accounts in 2019 and sold the outstanding debt to a DPC in August 2022. Mr D received a letter on Capital One headed paper advising him of the sale of debt, but when he called Capital One to get further information, they couldn't confirm which of the specific companies within the DPC's group his debt had been sold to.

Mr D wasn't happy with this, or to discover that the letter he'd received on Capital One headed paper had in fact been sent by the DPC themselves. And he also wasn't happy with some of the service he'd received from Capital One surrounding this matter. So, he raised a complaint.

Capital One responded to Mr D and confirmed that his debt had been sold to the DPC and that the letter informing him about the sale of debt were legitimate. Capital One also explained that they didn't feel that their agents had spoken to Mr D in any way unprofessionally. Mr D wasn't satisfied with Capital One's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. They didn't feel Capital One had acted unfairly by selling the debt to the DPC, but they did feel that Capital One could have been clearer in the information they provided to Mr D when he contacted them about it. Our investigator therefore recommended that Capital One pay £150 compensation to Mr D for the trouble and upset that he incurred as a result. Mr D 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.

Having done so, I'd like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. This means that it isn't within my remit here to declare that Capital One have acted in a non-regulatory or unlawful way.

Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the circumstances and factors of a complaint into consideration.

I also note that Mr D has provided several submissions to this service regarding his complaint. I'd like to thank Mr D for these submissions, and I hope he doesn't consider it a discourtesy that I won't be responding in similar detail here. Instead, I've focussed on what I

consider to be the key aspects of this complaint, in-line with this service's role as an informal dispute resolution service.

This means that if Mr D notes that I haven't addressed a specific point he's raised, it shouldn't be taken from this that I haven't considered that point – I can confirm that I've read and considered all the submissions provided by both Mr D and Capital One. Rather, it should be taken that I have considered that point but that I don't feel it necessary to address it directly in this letter to arrive at what I consider to be a fair resolution to this complaint.

It's common practice for businesses such as Capital One to sell outstanding debt to DPC's, and I note that Capital One's right to do so is described in their terms and conditions, which Mr D accepted when he opened his accounts with Capital One. As such, I'm satisfied that Capital One didn't act unfairly by selling Mr D's debt to the DPC as they have.

I note that Mr D received a notice of assignment in September 2022 which explained that his debt had been sold to the DPC and which listed a specific company within the DPC's group to which it had been sold.

I appreciate that Mr D wanted more information about the sale of debt, and that when he contacted Capital One about it that they were unable to provide him the clarification he wanted – specifically, a confirmation of exactly which company within the DPC group his debt had been sold to.

Mr D has explained that Capital One's inability to provide the specific information he wanted meant he became concerned that fraud might be occurring. But I note that when Mr D did call Capital One that they confirmed to him that his debt had been sold to the DPC, although they couldn't confirm to which exact company within that DPC group it had been sold to.

I feel that this confirmation from Capital One that the debt had been sold to the DPC should reasonably have alleviated any potential concerns Mr D may have had. And it's difficult to understand what form of fraud Mr D may have believed might have been taking place, given that the sale of debt to the DPC group had been confirmed to him by Capital One. I also feel that being told such, Mr D could reasonably have contacted the DPC itself to learn exactly which company within its group was now administering his debt.

Mr D is unhappy that the letter he received on Capital One headed paper explaining the sale of debt was in fact sent by the DPC on Capital One's behalf. But it's clear that this was sent in agreement with Capital One – given that Capital One confirm the sale of debt to the DPC was genuine – and I don't feel that any unfair outcome has arisen as a result.

All of which means that I don't feel that Capital One have acted unfairly regarding all of the matters described above. However, it's clear that when Mr D was discussing his concerns with Capital One that they did provide some contradictory information to him, which while given in assistance to Mr D, unfortunately served to further his concerns.

Capital One have agreed to the recommendation put forwards by our investigator to make a payment of £150 to Mr D as compensation for not handling his request for information as clearly as they could have done. Matters of compensation can be subjective, but this doesn't seem like unfair compensation amount to me, and I can confirm that it's commensurate with what I may have instructed Capital One to pay Mr D, had they not already agreed to do so.

In arriving at this position, I've considered that Capital One did provide some contradictory information to Mr D, which did trouble him and give him cause for concern. But also that Capital One did confirm the sale of his debt to the DPC in the first instance, such that I feel Mr D should reasonably have contacted the DPC to obtain the clarification he was seeking.

All of which means that, while I will be upholding this complaint in Mr D's favour, I'll only be doing so to instruct Capital One to make the compensation payment of £150 to Mr D that they've already agreed to make.

I realise this might not be the outcome Mr D was wanting, but I trust he'll understand, given what I've explained, why I've made the final decision that I have.

Putting things right

Capital One must make a payment of £150 to Mr D.

My final decision

My final decision is that I uphold this complaint against Capital One (Europe) plc on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 6 July 2023.

Paul Cooper
Ombudsman