

The complaint

Mr M complains that Vanquis Bank Limited sold his account to a specialist debt management company without informing him that this was going to happen.

What happened

Mr M opened an account with Vanquis in March 2017. In June 2021 Mr M contacted Vanquis to advise that he was experiencing financial difficulties. He said he was struggling to make his monthly payments and asked to enter a payment plan.

Vanquis agreed and Mr M initially paid £75 per month for three months. Later, Mr M went onto a long term payment plan under which he agreed to pay £200 per month.

In July 2023 Vanquis took the decision to sell Mr M's account to a specialist debt management company ("A").

On 21 July 2023 Mr M made his usual payment of £200. He noticed that his account was no longer showing as being locked and contacted Vanquis. Vanquis advised Mr M that his account had been transferred to A and that his payment of £200 had been sent on to them.

Mr M complained to Vanquis. He was unhappy that he hadn't been told about the transfer of his account beforehand and was concerned that his payment had been sent to an organisation with which he had no arrangement to pay in place. Mr M said he wanted his balance written off, his credit file amended and compensation for the distress this had caused him.

Vanquis didn't uphold the complaint. It said a decision had been made to sell the account on 21 July 2023 and that this was no reflection on the way that Mr M had been managing the account. Vanquis said that A specialised in managing long term payment arrangements and would continue to offer Mr M the same support as he had been getting from Vanquis. Vanquis said it appreciated Mr M's frustration at not being notified and said that A was responsible for sending a letter confirming the transfer. Vanquis said that the payment which Mr M had made on 21 July 2023 had been sent to A and would reflect in his outstanding balance. It said that because it hadn't made any errors it wasn't able to write off the balance or offer compensation.

Mr M wasn't happy with the response and brought his complaint to this service. He said he'd received a letter from A stating that he'd come to an arrangement to pay £200 per month to them when this wasn't true. He also said he'd requested that Vanquis reimburse him his payment of £200 which had been transferred without his consent, but he hadn't received it.

Our investigator didn't uphold the complaint. He said that Vanquis were allowed to sell the debt and there was no evidence that Mr M had suffered any financial loss as a result of the sale.

Mr M didn't agree so I've been asked to review the complaint.

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've reviewed the terms and conditions of Mr M's account. These say that Vanquis have the right to sell the account. So, I'm satisfied that Vanquis was allowed to sell the account to A.

The sale of the account didn't result in a default marker, or any other adverse information being reported on Mr M's credit file. It is reported as a "S" marker, which means that the account has been sold.

I appreciate that Mr M raised some concerns about the impact on his credit file as a result of the sale of his account to A. However, I haven't seen any evidence that the sale has resulted in any negative information being reported.

I should mention that because Mr M has been in a payment arrangement since 2021, this will have been reported and will have already impacted his credit file. But this reporting hasn't been changed as a result of the sale of the account to A.

I appreciate that Mr M has concerns about the fact that he has no agreement with A and he would rather deal with Vanquis. I understand that Mr M initially took out the account with Vanquis, and agreed the payment plan with Vanquis, but as I've said above, Vanquis is allowed to sell the account and Mr M will need to deal with the purchaser (A) going forwards.

Mr M has said that he made a payment of £200 to Vanquis on 21 July 2023 before he realised that the account had been sold. He's said that he's requested this payment back but hasn't received it.

I can see that Vanquis wrote to Mr M on 16 August 2023 and advised him that it had received two payments of £200 since the account was sold to A, and that it had automatically forwarded this payment to A. Vanquis confirmed to Mr M that the payments were applied to the account and reduced his balance to £1095.52 (as at 16 August 2023).

I'm satisfied that it was appropriate for Vanquis to send these payments on to A. If Mr M wants the payments back, this is something that he would need to request directly from A. However, if Mr M does receive the payments back, or decides not to continue repaying the debt, then this could impact negatively on his credit file.

Because Vanquis had the right to sell the account to A, this service can't require Vanquis to buy the account back. These are commercial decisions that Vanquis is allowed to make.

I appreciate that this may not be the outcome that Mr M wants, however, as I've explained above, I'm unable to find any evidence which suggests that Vanquis has made an error in transferring the account, or that the transfer of itself has negatively impacted on Mr M's credit file. Therefore, I won't be asking Vanquis to do anything further.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 22 February 2024.

Emma Davy
Ombudsman