

The complaint

Mr S complains 1Plus1 Loans Limited:

- Didn't tell him they'd taken over his loan from his previous lender
- Shouldn't have contacted his guarantor about his outstanding balance
- Have refused to treat him fairly and put a repayment plan in place

What happened

In January 2020 Mr S took out a loan for £10,000 over five years with a company I'll refer to as B. A guarantor was also added to the loan – essentially meaning if Mr S didn't repay the loan, then the guarantor would be asked to. In February 2023 B went into administration, and Mr S' account was bought by 1Plus1.

Mr S says B and 1Plus1 didn't write to him to tell him his loan was now with 1Plus1. Mr S was also unhappy that 1Plus1 wrote to the guarantor to tell them of the outstanding balance. And he was unhappy 1Plus1 hadn't helped him with setting up a repayment plan.

In August 2023 1Plus1 replied to Mr S' complaint and said B went into administration in September 2021. Because of this a portion of all of B's open loans were transferred to 1Plus1 in February 2023 – which included Mr S' loan. They said they wrote to Mr S and his guarantor with a Notice of Assignment (NoA) which told him they'd now taken over his loan. They added at the time of the assignment Mr S' outstanding balance was £13,814.19 – and his first payment to 1Plus1 was due 1 March 2023. 1Plus1 said no payments have been received and Mr S was, at the time of their letter in August 2023, now five months in arrears with 1Plus1.

They did though feel they'd tried to set up a repayment plan with Mr S, but said he wasn't engaging with them and kept talking over them which made it difficult to have a productive conversation. There was one call 1Plus1 said they didn't think had been handled properly and said sorry for that. The complaint manager said she called Mr S on 18 July 2023 to try and set up a repayment plan, but Mr S reiterated concerns he had regarding B, and abruptly ended the call saying he'd contact our service. 1Plus1 told Mr S in the letter following this call, he was £1,976.25 in arrears, and at risk of default which would impact his and his guarantor's credit file. They refunded £30 worth of late fees, but otherwise felt they'd done all they could to try and resolve matters.

Unhappy with this, Mr S asked us to look into things. One of our Investigators did so, and overall found 1Plus1 had treated him fairly.

Mr S didn't agree, saying he had evidence to provide which proves 1Plus1 had acted in breach of contract. This was 29 September 2023.

Between then and now, our Investigator and a manager at our service has let Mr S know he can provide the further information he says he's got – but he's not done so. In the circumstances, the complaint's been passed to me, and I'm satisfied I've got enough information to reach a fair outcome.

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.

As a starting point I need to explain Mr S' loan was transferred from B to 1Plus1. I can see Mr S has real concerns over how he was treated as a result of his health conditions and the impact of the actions by B. These issues aren't ones I can consider against 1Plus1 – as they weren't responsible for the loan at the time.

I also can't consider a complaint about the loan being granted to Mr S in the first place – again, that's because it was B who took the decision to give Mr S the funds, not 1Plus1.

Finally – I also can't consider anything from Mr S' guarantors' perspective. If his guarantor has concerns, then they'd need to raise them with 1Plus1 first, and could then bring them to our service if they were unhappy.

Turning now to what I can address, I know Mr S says 1Plus1 didn't tell him they'd taken over his loan. 1Plus1 say they did and have provided a NoA to prove it.

It's quite common in the lending industry if borrowing such as a loan isn't repaid, it can be sold to another company for them to look to enforce the obligations under the agreement. What that basically means is if 1Plus1 have properly taken over Mr S' loan, then they are now owed the money he needs to repay under the agreement.

The NoA is dated 14 February 2023 and is addressed to the same postal address Mr S has given to our service. I don't disbelieve Mr S when he says he didn't get it, but I can only say 1Plus1 have done something wrong if they're responsible. I've no reason to assume they didn't send this – so on balance I think it's more likely than not they did.

With that in mind, and while I know Mr S is concerned, I don't think 1Plus1 did anything wrong in contacting the guarantor on the loan. Mr S' agreement has simply 'moved' over, intact, from B to 1Plus1 – this means the obligations on him are the same, and so are lots of the features of the original loan he took out. This includes the guarantor he had on the loan with B – their responsibilities have also 'moved' over with the loan agreement. As Mr S was in arrears on the loan, 1Plus1 contacted his guarantor. The terms and conditions of the agreement he took out with B allow them to do that – and those terms and conditions still apply.

In respect of the payment plan, I think it's fair to say based on the information I've been provided with 1Plus1 would have set up a plan if they could have. It's of no benefit to them to not do so. I can see they tried to engage with Mr S on this point. It seems he was convinced this was a new agreement, and 1Plus1 were trying to trick him to some degree.

I've seen no evidence of that. The evidence I have before me shows Mr S took a loan with B. That loan with B was then 'moved' to 1Plus1. This means Mr S owes 1Plus1 the repayments under the loan, but he's not made them and has chosen not to properly engage with 1Plus1 around this. In the circumstances, I can't reasonably say 1Plus1 have done anything wrong.

My final decision

For the reasons I've explained above, 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 1 March 2024.

Jon Pearce
Ombudsman