

## **The complaint**

Mr W complains that FUND OURSELVES LIMITED (FOL) didn't inform him that his debt had been passed on to an external debt collector.

## **What happened**

In November 2020, Mr W entered into a fixed sum loan agreement with FOL. The loan was for £150 repayable over 95 days.

Mr W complained to FOL that he wasn't given any information about his loan account being passed over to a debt collection agency (DCA).

In February 2024, FOL issued their final response to Mr W's complaint. In it, they said they sent email reminders prior to each repayment and notifications of arrears correspondence along with a default letter. They said as no contact was made by Mr W, the loan was defaulted and passed onto a DCA. FOL didn't believe they made an error, so they didn't uphold Mr W's complaint.

Unhappy with FOL's decision Mr W brought his complaint to our service for investigation. Mr W said he wants FOL to write off the outstanding balance or to pay him compensation for the impact to his mental health. Mr W also raised concerns about FOL's decision to lend to him while he was on furlough.

Having reviewed all the information on file one of our investigators recommended that Mr W's complaint should not be upheld. The investigator concluded that FOL acted fairly and in line with the terms of the agreement. The investigator also advised Mr W that FOL would need to be given the opportunity to respond to any concerns about their decision to lend to him before our service would be able to look into that part of his complaint.

Mr W disagreed with the investigator's assessment and so asked that his complaint be referred 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.

In considering what is fair and reasonable, I've thought about all the evidence and information provided afresh and the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mr W says he wasn't notified about his debt being passed on to a DCA. Mr W says he also wasn't contacted by the DCA about the repayment of his debt.

In their file submission, FOL provided a timeline of events which showed that after the loan was taken out Mr W was notified over the following four months of when each payment was due and when they were subsequently missed.

FOL also advised that Mr W was issued with arrears correspondence and a default letter, and the account was subsequently defaulted in April 2021. FOL confirmed the account was transferred to the DCA over a year later in August 2022.

When a debt is passed to a third-party firm to manage its collection, it's typical that the consumer is notified of the transfer of account. This can be through the issuance of a notice of assignment letter. The DCA would then contact the consumer to arrange the repayment of the outstanding debt.

I've seen no evidence that Mr W received any notification that his debt would be transferred to another company. However, I don't think that means the notice wasn't provided. When FOL provided their final response, they also gave the contact information of the DCA. So, I'm satisfied that Mr W is in possession of it.

However, considering I've seen no evidence of Mr W's contact with FOL from when the loan was taken out up to June 2023, which is around two and half years after the loan was taken out, and having seen evidence of FOL's contact with Mr W, particularly in light of the level and consistency of their contact in relation to the loan agreement; I think it's likely that FOL had informed Mr W about the transfer of account.

Having said that, even had Mr W been notified about the transfer of debt at the time, I'm not persuaded it would have necessarily made a significant difference to how the debt was being handled by him. I say this because I can't see that Mr W made any contact with FOL for over two years after taking out the loan, and despite not having made any contractual repayments towards it.

All things considered, I'm satisfied from the information provided that FOL acted fairly in relation to their communication with Mr W, and so I won't be instructing FOL to take any action in relation to this complaint. As I'm satisfied Mr W now has the contact information for the DCA, I leave it to him to decide whether to contact them to make arrangements in relation to any outstanding balance owed.

### **My final decision**

Having thought about everything above, along with what is fair and reasonable, I don't uphold Mr W's complaint against FUND OURSELVES LIMITED

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 21 August 2024.

Benjamin John  
**Ombudsman**