

The complaint

Mr O complains that Amigo Loans Ltd ('Amigo') recently sold his personal unsecured loan account to another company in breach of his terms and conditions. He says Amigo communicated poorly with him and took too long dealing with his complaint.

Mr O's also unhappy with how Amigo charged him interest, particularly during the Covid-19 outbreak.

What happened

Amigo contacted Mr O recently to inform him that they'd transferred his account with them to another company I shall call Company L.

Mr O complained to Amigo as he didn't think his account could be sold under his terms and conditions. Amigo responded that the terms and conditions allowed them to transfer their rights under the agreement, so they didn't uphold Mr O's complaint.

Mr O referred the matter to the Financial Ombudsman Service. Our investigator concluded that Amigo had acted in line with the terms and conditions of the account and had the right to transfer – or sell – the loan to Company L. He also commented that Amigo had responded to Mr O's complaint within the expected timeframes set by the Financial Conduct Authority ('FCA').

Mr O disputed our investigator had understood the difference between 'transferred' and 'sold' and felt ignored. He raised concerns about Amigo's liquidation, and that the Financial Ombudsman Service wasn't impartial. He asked for an ombudsman's review, which is how I've become involved.

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 taken into account any relevant law and regulations, the regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

I know this will disappoint Mr O but I have decided not to uphold his complaint. I've explained my reasons for this below, which largely echo those of our investigator.

I think it's important to set out that I can only look into a complaint if the business has had a chance to respond to it first and it is also a complaint the Financial Ombudsman Service can consider. Having reviewed Mr O's account notes with Amigo I can't see that Mr O has raised a complaint with Amigo about the interest they've charged, so I haven't looked into this further.

I've concentrated on whether Amigo acted fairly towards Mr O when selling the agreement to Company L and whether they engaged fairly with Mr O at this time.

Mr O acknowledged his terms and conditions say Amigo can transfer their rights under the agreement – but he says this doesn't extend to selling.

I think if Amigo received a payment from Company L and therefore 'sold' Mr O's agreement to them, this would still involve Amigo transferring their rights under the agreement to Company L. So I think a transfer has taken place here, even if it might also be described as a sale, and Amigo were permitted to do this under the terms and conditions of Mr O's account.

Amigo are regulated by the FCA and their rules require Amigo to give notice to Mr O if they transfer his agreement to another firm. The law also requires Mr O to be given written notice of a transfer of the agreement – sometimes called a 'notice of assignment'. I've seen a copy of the notice of assignment Amigo sent to their customers as well as electronic correspondence they've sent to Mr O notifying him of the transfer, so I'm satisfied Mr O was notified of what was happening to his account.

Company L are regulated by the FCA and are bound by the same terms and conditions that Mr O had with Amigo. So Mr O won't be materially affected by the changes – but he will need to ensure that he corresponds with and pays Company L going forwards.

Mr O has expressed his annoyance with how Amigo have communicated with him over this matter. I've reviewed Amigo's contact notes with Mr O and can see they responded clearly and promptly to the queries he raised. I'm also satisfied that when Mr O raised this complaint Amigo responded within the timeframes expected by the FCA.

I recognise Mr O's concern the Financial Ombudsman Service isn't impartial. I want to reassure Mr O that there is no incentive for me as an ombudsman to find for one party over another – I make decisions based on what I consider to be fair and reasonable in the circumstances of each individual complaint, following my own independent review of the case.

I'm sorry to hear that this matter has caused Mr O a great deal of stress and anxiety, which I don't wish to add to. However, in these circumstances I can't say that Amigo have acted unfairly towards Mr O, and so I won't ask them to take any action on this occasion.

My final decision

For the reasons I've outlined, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 4 March 2025.

Clare Burgess-Cade
Ombudsman