

## **The complaint**

Miss K complains Capquest Debt Recovery Limited have failed to prove they're legally entitled to ask her to repay the debt they've contacted her about.

## **What happened**

As I understand it, the debt was originally a credit card account with a company I'll refer to as V. The debt was then sold to a company I'll refer to as A – before being sold on by A to another company I'll refer to as IF.

A Notice of Assignment (NOA) was issued by Capquest to say the account had been sold by A to IF, and that IF had appointed them to service the debt.

Miss K asked Capquest to provide the Deed of Assignment (DOA) – as she said without this Capquest couldn't legally prove they were entitled to ask her to repay the debt. Miss K also said IF had reported a default against her credit file and asked for evidence they'd complied with all relevant civil procedure rules. And when Capquest didn't provide the specific documents Miss K said they should, she complained. Her initial two letters went unanswered, before a third contact was finally acknowledged.

In response to Miss K's complaint, Capquest said sorry for missing Miss K's two initial contacts – and for this point offered £50 compensation. In respect of Miss K's request for evidence of the assignment, they said the NOA contains all the correct information to prove this. And as they couldn't identify any issues, they also wouldn't be removing the default.

Unhappy with Capquest's response Miss K asked us to look into her concerns about the validity of the debt and applying the default – but she did accept the £50 offered.

One of our Investigators did so, and after resolving a jurisdiction issue said he didn't think Capquest had done anything wrong about the DOA and nor should they remove the default. But, he did think they should have shared the paperwork they'd gathered together about the default with Miss K earlier – and recommended £100 for this.

Capquest agreed to this outcome, but Miss K didn't – repeating her concerns about the lack of a DOA and the application of the default on her credit file. Miss K feels Capquest / IF should take her to court to confirm whether the account is enforceable – as this would require them to produce the DOA which would prove they're legally allowed to collect on the debt.

So, the complaint's been passed to me to decide.

## **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 think it's important to firstly explain I've read and taken into account all of the information provided by both parties, in reaching my decision. I say this as I'm aware I've summarised

Miss K's complaint in less detail than she has. If I've not reflected something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless I think it's relevant to the crux of the complaint.

I also think it's helpful to set out how I'm required to decide cases. Miss K has made many references to the law, but my remit is to decide things on a fair and reasonable basis – while taking into account the law.

## DOA

I'm aware Miss K believes there is law which explicitly says the DOA has to be provided to her so she can verify the debt is owed.

Capquest say the DOA is commercially sensitive, as it doesn't actually contain any of Miss K's details – it's simply an agreement between A and IF for the sale of a tranche of debts.

I'm also aware there are some court cases which other consumers said a consumer is entitled to see the DOA – and there are other court cases which businesses say a consumer isn't entitled to see the DOA.

With that in mind, I don't think it'd be reasonable for me to rely on Miss K's interpretation of the law saying she's entitled to the DOA – as if that were the case then I'd expect all court cases to have reached the same conclusion. I'd also expect debt purchasers to have sought legal advice on this point as it's one that comes up regularly, and it seems likely to me debt purchasers wouldn't continue to deny their customers access to this document if the law said they were required in every case to provide it.

In addition, the FCA sets out what's expected of financial businesses in the Consumer Credit Sourcebook (CONC) rules. CONC 6.5.2 says:

*(1) Where rights of a lender under a regulated credit agreement are assigned to a firm, that firm must arrange for notice of the assignment to be given to the customer:*  
*(a) as soon as reasonably possible; or*  
*(b) if, after the assignment, the arrangements for servicing the credit under the agreement do not change as far as the customer is concerned, on or before the first occasion they do.*  
*[Note: section 82A of CCA]*

*(2) Paragraph (1) does not apply to an agreement secured on land.*  
*(3) A firm may assign the rights of a lender under a regulated credit agreement to a third party only if:*  
*(a) the third party is a firm; or*  
*(b) where the third party does not require authorisation, the firm has an agreement with the third party which requires the third party to arrange for a notice of assignment in accordance with (1).*

As such I'll look at what Miss K has been provided with, to decide if I'm satisfied if that's fair and reasonable for Capquest to rely on to say Miss K should repay them the debt.

The document Capquest sent is a NOA – and this document says the account was sold by A, and bought by IF – and that IF have asked Capquest to service the account.

This is a standard document when a debt is sold from one owner to another. There isn't anything obviously wrong with the NOA, and it contains all of the usual information I'd expect. So, in the circumstances, I don't think there's any reason not to rely on it. As such, I'm satisfied by sending the NOA Capquest can legitimately service this debt – which includes asking Miss K to repay it.

In addition, I've noted Miss K's concerns about fraud – because Capquest won't provide the DOA. But, it seems to me Miss K could contact V, who she had a relationship with previously, to confirm if the account was sold to A. If they confirm it was, then she could speak to A in the knowledge V have confirmed they sold the account to A, to confirm with A if they then sold the account to IF. Given everything I've seen, I think it's very likely both V and A would confirm they had sold the account on to the respective parties – and this may be something Miss K can do to give her peace of mind about Capquest's legitimacy to collect the debt.

### *Default issues*

Miss K says Capquest / IF shouldn't be reporting a default against her credit file as they've not proven they can lawfully collect on the debt.

I've set out above why I'm satisfied Capquest can service this debt on IF's behalf – and this does include Capquest reporting the default to Miss K's credit file. I understand V originally defaulted the account, and when IF took over the account, they asked Capquest to service it. This means it'd be for IF / Capquest to take over the reporting of the default from the previous owner. So, I don't see anything wrong with Capquest continuing to report the default. If Miss K continues to dispute the default was applied correctly, she could raise a complaint to V about this if she hasn't already.

Miss K did also ask for a copy of the paperwork to prove the default had been applied fairly – which Capquest should have provided to her but didn't. I think £100 compensation is fair to reflect this.

### *Other issues*

I've noted Miss K raised a Data Subject Access Request (DSAR) with Capquest, and said the DOA had to be provided as part of this – and if it wasn't, then the DSAR hadn't been completed properly.

The Information Commissioner's Office (ICO) is the body responsible for data protection in the UK. They can say whether a DSAR has been complied with properly, but that isn't something I can decide. I can see Miss K has previously raised a complaint with the ICO, but it isn't clear from the information I have what precisely she contacted the ICO about. So, if she hasn't already, Miss K could raise a complaint to the ICO about Capquest not providing the DOA as part of her DSAR.

Finally I can see Miss K has also said she wants us to tell Capquest to take her to court. That isn't something within my remit, so I can't do that. Miss K may wish to seek legal advice about the options open to her at this point.

### **My final decision**

I partially uphold this complaint and require Capquest Debt Recovery Limited to pay Miss K £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept

or reject my decision before 7 August 2025.

Jon Pearce  
**Ombudsman**