

The complaint

Mrs L complains that Bank of Scotland plc trading as Halifax has acted unfairly by selling an outstanding debt in her name.

What happened

Mrs L had an outstanding loan with Halifax. Due to her personal circumstances, Halifax agreed a reduced repayment plan.

Mrs L was unhappy to find out that in September 2024, Halifax assigned the debt to a third party debt buyer. She had already told Halifax that her husband's mental health problems meant it would be difficult to deal with the debt buyer, particularly if it made any home visits to try collect the debt.

Halifax didn't agree that it had made a mistake. It said it was entitled to sell the outstanding loan and that it had notified the debt buyer of Mrs L's personal circumstances, including the risk of potential harm from Mr L if the debt buyer were to visit their home.

Our investigator didn't uphold Mrs L's complaint. He said that even if Halifax had told her in the past that it would not sell the debt, this didn't mean it was prevented from doing so at a later date. Our investigator noted that more recently, Mrs L said that Halifax told her it should not have sold the debt. As this was a new complaint point, our investigator told Mrs L that she would first need to raise this with Halifax.

Our investigator was satisfied that Halifax told the buyer about Mrs L's personal circumstances.

Mrs L says the Financial Conduct Authority has told her that it would be up to the Financial Ombudsman to decide whether Halifax had acted irresponsibly given the circumstances.

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 realise that I have summarised this complaint in less detail than the parties and that I have done so using my own words. The rules that govern us, together with the informal nature of our service allow me to take this approach. But this doesn't mean I have not considered everything the parties have given to us.

I would like to say that I am sorry to hear about the personal difficulties which Mrs L faces due to her husband's poor mental health. I appreciate that she and her husband are concerned about the risk of harm should a debt collector attend their home but I don't have evidence to suggest that this has actually happened. So, my decision focusses on whether Halifax has treated Mrs L unfairly by selling the outstanding debt to a third party.

I am sorry to disappoint Mrs L but I don't consider Halifax acted unreasonably toward her. Although Mrs L would have preferred Halifax not to transfer the debt - the terms of her

agreement allow it to do so. So, I can't say Halifax did something which it was not permitted to do.

Our service dealt with an earlier complaint about the same debt. In that complaint, the ombudsman urged Halifax to notify any possible future debt owner of the household difficulties around receiving visitors to Mrs L's home. So, my expectation when considering whether Halifax's treatment of Mrs L has been fair, is that it would follow the ombudsman's advice and make any debt buyer aware of her circumstances. Halifax says that the debt buyer has a specially trained vulnerable customer team which will administer Mrs L's debt. And Halifax has passed on Mrs L's concerns together with Mr L's own warnings around any home visits. So, I am satisfied that Halifax has taken reasonable steps to make sure the debt buyer is aware of the situation.

My understanding of Mrs L's circumstances is that she has been making the agreed reduced loan repayments, so I can't see any reason for the debt buyer to visit her home in connection with the debt. I would also expect a home visit to be a last resort, as most debt collection takes place in writing and by phone. But if in the future, the debt buyer attempts to collect the debt in person by visiting Mrs L's home, she can of course raise her concerns at that time.

I am sorry to disappoint Mrs L but for the reasons outlined above, I don't find that Halifax has done anything wrong, so I am not asking it to take further action in response to her complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 24 June 2025.

Gemma Bowen
Ombudsman