

The complaint

Mrs W complains that Bank of Scotland plc trading as Halifax sold her credit card account debt to a debt purchaser, when it said it wouldn't do this due to her circumstances.

What happened

Mrs W says that in January 2022, she got into financial difficulties and contacted Halifax asking for interest and charges to stop being applied to her credit card account. She says at this point, her accounts were up to date, but Halifax advised her to let the account fall into arrears, which she did.

She says when she contacted Halifax again, it wouldn't accept a repayment plan from her based on her affordability. She says that Halifax assured her that her debt wouldn't be sold, as she was a vulnerable customer. She adds that she received nothing further from Halifax, but had been contacted by a debt collection agency in relation to the debt, demanding repayments.

Mrs W says that Halifax were wrong to sell on her debt. She explained Halifax didn't notify her of its intention to sell the debt. And it had previously explained to her that it wouldn't sell on the debt. She adds that Halifax didn't protect her as a vulnerable consumer, and the situation could have been avoided if it accepted her offer of repayment in the first instance.

Halifax responded to Mrs W's complaint but didn't uphold it. It said that when Mrs W first took out the account, it let her know what could happen if she didn't keep up with repayments. Because Mrs W's account had defaulted, it hadn't done anything wrong in selling the account. It confirmed it wouldn't be buying back the debt.

An Investigator considered what both parties had said, however they didn't think Mrs W's complaint should be upheld – they didn't think that Halifax had done anything wrong when it sold Mrs W's account.

Mrs W didn't agree with the Investigators view and so the complaint has been passed to me to decide on the matter. She said that she had been assured that the debt wouldn't be sold. She adds that it didn't contact her when it sold the debt, and it made no further contact with her about the account. Because it had been determined that she couldn't make a payment to the account, it is not logical for Halifax to have sold the debt.

Because an agreement couldn't be reached, the complaint has been passed to me to decide on the matter.

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.

Having considered all of the available evidence, I've decided not to uphold Mrs W's complaint. I appreciate this decision will come as a disappointment to her, however I'll explain my reasons for this below.

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 Mrs W's complaint in less detail than she has. 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.

Mrs W's account was closed and defaulted due to nonpayment. This essentially meant that the account wouldn't operate as a credit card any longer, and the debt would just need to be repaid.

Halifax have said that it made a business decision to sell on the debt. Generally, there wouldn't be anything wrong with this – it is part of the terms and conditions Mrs W signed up to. So, in normal circumstances, Halifax's commercial decision to sell on the debt would have been a fair and reasonable one.

But in this case, Mrs W says she told Halifax that she didn't want the debt sold due to her being a vulnerable customer. She also said that she was told previously that it wouldn't be sold. And that Halifax didn't tell her when it sold the debt. Halifax don't have any record of it telling Mrs W this debt wouldn't be sold, but it has accepted that it might have done this. I can understand why, from Mrs W's point of view she might have felt it unfair of Halifax to have done this when it said it wouldn't.

Mrs W has explained to this service the circumstances surrounding why she is vulnerable, and I am sorry to have read this. Halifax has explained that Mrs W's account was previously being dealt with by its additional support team, but Mrs W had told it that she didn't require any additional support. While I can understand Mrs W's disappointment at the debt being sold, especially if she was told it wouldn't be, I can't fairly find that Halifax has done anything wrong in selling the debt. It is entitled to do so. And while I can understand Mrs W is in a vulnerable situation, I haven't seen anything that persuades me that it would have been better for her account to be dealt with by Halifax, and in a specific way.

I accept Mrs W might have had arrangements in place with Halifax, regarding repayment, or not making repayments while they were unaffordable. So I can see from this point of view why Mrs W might have been keen for the account to have stayed with Halifax. But debt purchasers can come to payment arrangements and are generally experienced in dealing with customers in vulnerable situations. So I don't think the selling of the debt has put Mrs W in a worse position than she would have been if Halifax had kept the account.

I note that Mrs W has also explained that Halifax didn't tell her that it sold the debt, and the first she heard of this was from the new debt purchaser. The rules around the sales of debt, require for the new debt purchaser to notify the customer that the debt has been reassigned. While I haven't seen any evidence of the letter the debt purchaser sent, I'm satisfied Mrs W likely received this, because I can see that she called Halifax after receiving the letter to ask why her account had been sold. So, while Halifax might not have contacted her direct, it didn't need to do this, and she was made aware of the situation, so again I don't think Halifax acted unfairly or that Mrs W has lost out as a result.

So overall, I don't think it was unfair or unreasonable of Halifax to have taken the action it did. And I haven't seen any evidence to persuade me that Mrs W has lost out as a result.

My final decision

For the reasons set out above, I don't uphold Mrs W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 14 August 2025.

Sophie Wilkinson
Ombudsman