

The complaint

Mr K complains that Santander UK Plc unfairly sold a debt in his name without prior warning.

What happened

Mr K held a Santander credit card account which had defaulted in 2013. In 2024, Santander sold the outstanding debt to a third party debt buyer who I will refer to as "C". Mr K was unhappy with this.

Our investigator didn't uphold Mr K's complaint. He explained that under the terms of Mr K's account with Santander, it was able to sell his credit account and didn't need to give advance notice of this.

As Mr K had previously complained about Santander selling the same debt in 2018, our investigator thought that the 2024 sale would not have caused so much distress.

Mr K disagrees with the investigation outcome. He says that when it defaulted his account in 2013, Santander reassured him that it would not sell the debt as long as Mr K kept to his repayment plan. Mr K is unhappy that Santander didn't inform him directly of the sale and that he only found out about it some two months later after receiving a letter from C. Mr K thinks Santander's actions are disrespectful to him. Mr K wants to know why Santander lied to him when his account had defaulted. Mr K also asked why Santander has stopped sending him statements of account.

Our investigator told Mr K that he would need to raise a fresh complaint about Santander's initial dealings with his default before we could consider this further.

Santander supplied copies of statements up to July 2024 but said that it doesn't have access to his repayment history past the sale of the debt to C.

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 which govern our service allow me to take this approach, but it doesn't mean I have not read and considered everything which the parties have provided to us.

I am sorry to disappoint Mr K but like our investigator, I don't uphold his complaint and will explain why.

It seems to me that Mr K's main concerns are that he thinks Santander was prevented from selling his account because of what it said to him in 2013 and/or that Santander should have contacted him prior to transferring the account to C.

Mr K says that back in 2013, when his account defaulted, Santander told him that it would

not transfer the debt to another collection agency as long as he kept up with his repayments. Although our investigator told Mr K that he would need to first raise this aspect of his complaint with Santander before coming back to us, I don't think it necessary as I can see that Mr K raised similar concerns with Santander in 2018 and again in 2025.

It is difficult to know what was discussed in 2013. The records which Santander has shared with us from that time don't refer to any agreement not to sell or transfer the debt to a third party. Although Santander upheld Mr K's complaint in 2018, it appears to have done so because it didn't have evidence to contradict his recollections of a discussion about the debt when it defaulted. But whatever Santander may or may not have said to Mr K in 2013 doesn't, in my view, mean that it was then prevented from selling the debt to C as permitted under the terms of its agreement.

As a regulated business, Santander must follow the rules set by the Financial Conduct Authority. Its' handbook, known as CONC, explains what should happen where a lender - such a Santander - assigns the debt to a third party.

CONC 6.5.2 says:

- (1) Where the 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.

This places the obligation to inform a customer of the assignment of a debt upon the firm which buys the debt - in this case C.

I appreciate that the terms of Mr K's credit agreement with Santander say that it will tell him about the transfer before it happens if the arrangements to manage his account will change because of the transfer. But in Mr K's case, he was able to continue making the same payments to Santander. So, strictly speaking the arrangements to manage his account didn't change as far as Mr K was concerned. This means I agree with our investigator that Santander wasn't obliged to give Mr K advance notice of the transfer. But even if I had found this not to be the case, it wouldn't change the outcome of this complaint. I say this because I can't see that Mr K suffered any loss because of Santander's decision to transfer his account to C. There is no suggestion, for example, that payments were missed or late. And Santander confirmed that any payments Mr K made would still go to C.

Although Mr K might have liked to be given the chance to discuss his account with Santander ahead of the transfer, there is nothing stopping him from doing this with the new owner. If after doing so, Mr K was unhappy with the outcome, he could raise his concerns with C before possibly coming back to us if needed.

For the reasons outlined above, I don't find that Santander needs to take further action in response to Mr K's 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 Mr K to accept or reject my decision before 8 July 2025.

Gemma Bowen
Ombudsman