

The complaint

Miss S complains that Lendable Ltd ('Lendable') sold her defaulted loan account to a debt purchaser ('P') in breach of her agreement, as they weren't authorised or regulated by the Financial Conduct Authority ('FCA').

Miss S wants this matter investigating and doesn't want to be disadvantaged.

What happened

Lendable sold Miss S's account on 31 March 2025 and Miss S sought details about who the account was with, and what protections she had. Lendable treated this as a complaint, and issued a response in which they confirmed they'd sold the debt to P, and P had appointed a debt servicing company ('A') to manage the account. Lendable confirmed that A were FCA regulated. Lendable didn't uphold Miss S's complaint.

Unhappy, Miss S asked the Financial Ombudsman Service to investigate. She said P weren't a regulated firm, so Lendable had breached her terms and conditions by selling the debt to them, even though P had passed the account to A.

Our investigator considered P was a parent company and A was in the same group, and as A was regulated at the time of the assignment she didn't think Miss S had been treated unfairly.

Miss S disagreed, saying there'd been a clear breach of contract and this raised serious concerns about regulatory compliance. Miss S said if she'd known this would happen, she wouldn't have taken out the loan, and she said she'd been very stressed and anxious about how her account would be managed and whether she'd have the same protections that she'd enjoy with a FCA authorised and/or regulated company. She sought an ombudsman's decision and asked for a ruling on Lendable's breach of contract.

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.

Having considered everything I've decided not to uphold Miss S's complaint. I'll explain why, though I broadly agree with our investigator.

I realise that I've summarised this complaint in less detail than the parties, in my own words. I assure the parties I've read all the submissions and the file of documents provided so if I've not commented on everything it's not because I haven't considered it. This isn't intended as a discourtesy to either party, and reflects my informal role in deciding a fair and reasonable outcome to this complaint.

I think it would be helpful to set out the scope of the Financial Ombudsman Service. We are not the financial regulator, so we don't set rules for firms to follow. We can't interfere with a firm's processes, procedures and policies, and we can't fine or punish a firm. Those are all matters for the FCA.

If Miss S wants Lendable to be held accountable for the way they sell accounts, and forced to change how they go about this, then she is at liberty to contact the FCA as they will review, collate, and sometimes act on information they receive about the firms they regulate. However, Miss S should be aware that the FCA doesn't respond to individual complaints.

The Financial Ombudsman Service will consider relevant laws when determining what is fair and reasonable but we don't make legal determinations – so I am not able to rule on whether Lendable are in breach of their contract with Miss S, or if they've broken any laws. This means that if Miss S seeks a ruling and remedy for breach of contract, she will likely need to address this with the courts.

My role is to resolve individual complaints based on what is fair and reasonable in the circumstances of each case.

I've considered Miss S's concern that she's not been treated fairly because Lendable sold her debt to P who aren't FCA regulated. Miss S wants evidence to show how the debt passed from Lendable to P and to A, to prove there's been a breach of contract.

It's outside of my remit to conduct the detailed analysis Miss S seeks, but I don't think I need to do this to decide a fair outcome to her complaint.

I say this because Miss S accepts that P appointed A, a company within their group, to service her account and collect her debt. A were regulated by the FCA at the date of the assignment and are still regulated, and this is shown on the FCA's register.

P's website says they are unregulated but when P purchases regulated debt "it immediately appoints a regulated servicer to manage the debts on its behalf." P's website then sets out details of A, and says consumers can contact them for more information.

In these circumstances I think it's fair and reasonable that Lendable sold Miss S's account under an arrangement where A would manage the account in accordance with the FCA's regulatory requirements, and Miss S didn't lose the benefit of this protection going forwards. This was what Miss S expected when she signed the contract with Lendable, and it means Miss S is still able to bring unresolved complaints about the future management of her account to the Financial Ombudsman Service.

Miss S has not evidenced any loss or material disadvantage from the assignment, although she was stressed and anxious her account wouldn't be well managed in future. I'm sorry to hear this and I understand that these matters can be very worrying for individuals, especially if they're in a vulnerable position.

I've thought about how Lendable communicated with Miss S. I can see they did answer her questions. And when their brevity didn't help Miss S, Lendable raised a complaint so she could have a full response. And I think Lendable reasonably addressed Miss S's concerns when responding to Miss S's complaint, by giving details of what had happened and providing A's FCA registration details.

I recognise Miss S doesn't feel there's been full transparency, but I am persuaded from what I've seen that Miss S has likely been treated fairly by Lendable in these circumstances. On that basis, I don't uphold Miss S's complaint.

I acknowledge this isn't the answer Miss S was hoping for, and that she may wish to reject my decision and take the matter further. If Miss S would like advice and support (to include how to access free or affordable legal help) she can contact the Citizens Advice Bureau by phone on 0800 144 8848 or online at <https://www.citizensadvice.org.uk>

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 Miss S to accept or reject my decision before 24 December 2025.

Clare Burgess-Cade
Ombudsman