

The complaint

Mr B complains that Bank of Scotland plc trading as Halifax unfairly sold his account to a third party debt purchaser without giving him the opportunity to sort it out with Halifax directly.

What happened

In 2023, Mr B was scammed. This led to him having a large balance on his credit card with Halifax. After it had written to Mr B a number of times about missed payments, on 14 November 2023, Halifax issued a notice of default to Mr B and recorded it on his credit file. The account was sold to a debt purchaser in August 2024.

In December 2023, Mr B complained to Halifax. He said he had spoken to it in November 2023 and been given until January 2024 to sort things out. He told Halifax that he would like the card reinstated, the default removed and he would pay off the account in January 2024. Halifax looked into his complaint and issued a final response letter on 5 January 2024. It explained that it felt it had acted fairly in registering the default and didn't uphold his complaint. It said if Mr B was unhappy, he could refer the matter to our service, but he must do so within six months of the date of the letter. He didn't do so within that time frame.

In January 2025, Mr B complained to the debt purchaser and raised a further complaint about the situation which was referred back to Halifax. On 19 February 2025, Halifax issued a further final response letter describing his complaint as being about his *"account defaulting and being sold to a third party"*. Again, it didn't uphold the complaint, but it told Mr B he could refer his complaint to our service within six months if he remained unhappy.

On 5 March 2025, Mr B referred his complaint to us. We've already explained to Mr B and Halifax that the only part of his complaint that we have the power to look into now, is that his account was sold to the debt purchaser.

One of our investigators looked at what Mr B and Halifax had said. She said that Halifax had acted in line with the terms and conditions of the account as well as industry wide guidelines when it sold the account. She didn't think Halifax had acted unfairly when it did so and didn't uphold his complaint.

Mr B didn't agree with our investigator. He said he had always paid his credit cards and mortgages on time and he didn't receive the default notice. He said he had been *"happy to make immediate payments to"* Halifax but it *"never reverted back to [him and]...simply sold the debt"*. As there was no agreement, the complaint has been passed to me for a decision.

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.

To reiterate, the only aspect of Mr B's complaint I can consider is whether or not Halifax acted fairly when it sold the debt to the third party. I can't consider what he has said about

the account having been defaulted as he referred that aspect of the complaint too late for us to do so.

Halifax had written to Mr B several times prior to the default notice it sent on 14 November 2023 with arrears notices and asking him to contact it. Each of those letters – including the default notice - explained how Mr B could make a payment if he wished to do so.

The terms and conditions of the credit card at the time said, *“we may transfer our rights and obligations under this agreement...to someone else.”*

The default notice said his balance was £12,293.28 and the arrears were £1,047.61. It said if the bank didn't receive the total arrears by 2 December 2023, then the agreement would end. It said if the agreement ends, it would register a default with the credit reference agencies and the whole balance would become payable. It said, *“we may sell the debt to an external company...”*.

The arrears remained unpaid, so the entire balance became due. On 6 August 2024, Halifax sold the remaining debt of £12,093.28 to a third party company. Both Halifax and the debt purchaser wrote to Mr B on 22 August 2024 to let him know.

I do acknowledge that Mr B tells us that, prior to the scam he was victim to earlier in 2023, he had a good payment history – not just with Halifax but elsewhere - and I understand it has been a distressing period for him. But I haven't seen anything which suggests Halifax treated Mr B unfairly or was outside the terms and conditions of the account when it sold the debt to the third party company.

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 B to accept or reject my decision before 23 December 2025.

Richard Hale
Ombudsman