

The complaint

Ms D complains about Bank of Scotland plc ('BOS') selling her account.

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimum formality.

Ms D had a credit card with BOS which was terminated in 2023 after missed payments and unpaid arrears. BOS has confirmed that the outstanding debt was subsequently sold to a third party (who I will refer to as 'C'). C subsequently took Ms D to court for payment of the debt and obtained a court decree against her on 3 March 2025.

Ms D complained about the debt sale to BOS. And escalated said complaint to this service.

In summary, she says:

- BOS passed her account (and personal data) unlawfully to an intermediary (who I will refer to as 'L') and L unlawfully passed this on to C. And ignored requests for clarification.
- The actions of BOS caused her to lose consumer protections as L and C are not appropriately regulated by the Financial Conduct Authority ('FCA').
- The actions of BOS have caused her substantial personal distress and financial loss. And it resulted in C bringing unlawful court proceedings against her.

Our investigator did not uphold the complaint. So Ms D asked for an ombudsman to look at matters for a final 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.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes with minimum formality.

I note in this case Ms D has raised many points about why the debt sale by BOS was carried out in a technically non-compliant way with the law. However, while I have regard to the law in deciding what is fair and reasonable only a court can decide whether a debt is technically unenforceable due to the sort of alleged technical imperfections in process Ms D has focused on. Furthermore, I note that legal arguments around the assignment and whether it renders the debt unenforceable were put to the court as part of Ms D's defence during the action C took against her.

With these things in mind it is not appropriate for me to comment on whether the actions of BOS were technically correct here in a way that would impact the legal enforceability of the debt. I recognise that at times Ms D has framed her arguments as not being about technical breaches or strict legal enforceability. However, despite this I still consider the heart of many aspects of her complaint are about this or intrinsically linked to it. Which means I do not consider it necessary to comment on many of the things Ms D has referred to regarding the alleged illegality of the debt sale process.

I note here Ms D has alleged BOS has breached data protection law during the debt sale. I don't think there is clear evidence of general customer service errors in relation to her personal data here. However, this service is not a regulator or specialist body relating to data. So I consider that any comment on specifics around the alleged legal and regulatory breaches of data protection legislation should be followed up with the Information Commissioner's Office if Ms D considers this appropriate. Ms D has also mentioned what she considers might be criminal conduct by BOS, which is not something it is appropriate for this service to look at. If Ms D is particularly concerned about this she should contact the relevant enforcement bodies.

Here I am looking at whether on the face of things BOS handled the sale of the debt in an unfair or unreasonable way – including how it communicated with her about it. I will consider if the way BOS handled things means it is fair and reasonable to provide Ms D with the redress she is requesting.

From the information provided during this case, including system notes and correspondence I am satisfied (and it doesn't appear to be in dispute) that Ms D had a credit card account with BOS which was terminated due to arrears. This isn't a complaint about the events leading up to the termination of the account and application of a default (it is about the debt sale) so I have not focused on that here.

From the information I have I am persuaded after said termination the account was showing a debt balance of around £6,000. With this in mind it isn't unusual or unexpected for a lender to sell off an account which it has terminated and has effectively become an outstanding debt. Furthermore, I have looked at the terms and conditions of the credit card account which BOS has provided here and note they say:

We may transfer our rights and obligations under this agreement (including our obligation to lend) to someone else.

So BOS was contractually permitted to pass the debt Ms D owed it on to a third party. And it informed Ms D that this might be a possibility in its terms and conditions. This wasn't obscured or difficult to find.

Furthermore, when BOS sold the account its agreed process with C meant that C would issue letters informing Ms D what happened. I note BOS didn't issue these specific letters and Ms D has a separate complaint against C in respect of its communication with her. So I am not going to comment on their content in any detail. However, from looking at what occurred and the communication that went out to Ms D I am broadly satisfied that BOS took reasonable steps to ensure Ms D was informed about the assignment of the debt to C.

I also note when Ms D enquired with BOS as to whether certain letters were genuine it confirmed these were and clarified what communication it had issued (such as the termination notice) and what letters were issued by C as a result of the debt sale (including those using the logo of BOS with its permission). On the face of it this seems fair and reasonable.

Ms D says one of her main concerns is that the actions of BOS caused her to lose protections under the Consumer Credit Act 1974. And that its actions were effectively contracting her out of these. However, I don't consider there is persuasive evidence to support this. Ultimately, the actions of BOS appear to have resulted in the debt being owned by what appears to be an FCA regulated entity (and one which Ms D has a complaint against with this service). So, I can't fairly say BOS has acted unreasonably here. Ms D has recently focused on the role of 'L' here in any assignment of the debt – but ultimately that speaks to her claims around technical breaches of law and their impact on enforceability rather than what is fair and reasonable in the circumstances of the complaint here.

One thing which is important to note (putting technical arguments around enforceability aside and focusing on what is fair and reasonable) is that even if I were to conclude that BOS should have acted differently in some way (such as not passing the debt on to a third party) Ms D has not persuasively shown how said action would have left her better off financially in any event.

I know Ms D feels very strongly about this matter, I am sorry to hear about the impact on her wellbeing she has shared. And I remind her that my role is informal – she is free to pursue this matter with the courts if she considers that is the most appropriate next step.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 13 March 2026.

Mark Lancod
Ombudsman