

complaint

Mrs R has complained via her son, Mr R, that Lloyds Bank PLC wrongly sold her debt to a third party collection agency without advising her and she can't now get a replacement paying-in book.

background

In 2010 Mrs R's was experiencing financial difficulties and her credit card borrowing was transferred by Lloyds into their recoveries department. She continued to make agreed monthly repayments via a paying-in book.

In 2015 Lloyds sold Mrs R's debt to a third party debt collection agency. Mrs R continued to make repayments to Lloyds and these were forwarded to the third party agency.

Mrs R is unhappy that:

- she wasn't aware that Lloyds had sold her debt to a third party, and questions whether they've acted properly in doing so;
- Lloyds say that she didn't respond to letters asking her to contact them to review her repayment plan. She says that she didn't receive any letters;
- she would like a replacement paying-in book and has been told by Lloyds that they can no longer provide this to her.

Lloyds' records show that the last review of the repayment plan was in 2013. They have provided a copy of their terms and conditions that includes a provision which enables them to transfer the debt at their discretion. They also explained that as they're no longer the legal owner of the debt they're unable to provide a paying-in book.

Our investigator didn't feel that Lloyds had done anything wrong. The sale of Mrs R's debt was allowed for within the terms and conditions and a letter was sent to Mrs R advising her of the change. As the debt is now with a third party agency, Mrs R will need to liaise with them to make mutually acceptable arrangements for the continued repayments.

Mrs R doesn't agree and so the complaint has been passed to me for a decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I know it'll disappoint Mrs R (and Mr R) but I agree with our investigator that Lloyds hasn't done anything wrong and so I won't be asking them to do anything more. I'll explain why.

Mrs R isn't happy that Lloyds has sold her loan to a third party lender. However, the bank has the right within the terms and conditions of the loan agreement to do this at any time. All of her rights under the agreement remain protected.

Mr R is concerned that the bank's justification for selling its debt is because her repayment arrangements with them hadn't been reviewed for a number of years and that their letters relating to this had been ignored. He implies that the bank contrived this situation to enable them to sell the debt. I don't feel that this is likely to be the case. The bank is quite within its rights to sell its debt at any time and for its own reasons - which, for example, may be simply that it prefers not to collect out debts over a protracted period of time.

Mrs R complains that she wasn't advised that her loan was being transferred. I have, though, seen copies of letters that were sent by both Lloyds and the third party advising the sale of the loan had taken place. Lloyds also said that any payments it received to the former loan would be forwarded to the third party. Unfortunately it's not possible to prove whether or not the letters were properly delivered but I'm content that they were sent.

I can understand Mrs R's upset at the suggestion that she's ignored letters from the bank. She's been repaying her loan consistently for a number of years since the last formal agreement was put in place and I can't, therefore, see any reason why she (or her son) wouldn't respond to correspondence from the bank. But I can see from Lloyds' system records that letters were issued by them on a number of occasions requesting a review of the repayment plan. Here again, there's no evidence of delivery but I am satisfied that they were issued by the bank.

The third party involved has advised Mrs R of a number of payment options for the future, including bank giro / paying-in slips. I trust therefore that Mrs R will be able to obtain a paying-in book from the third party and continue to repay her debt by her preferred route.

my final decision

My final decision is that, for the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 7 August 2017.

Richard France
ombudsman