

### **complaint**

Ms K complains that she reached an agreement with Black Horse Limited which has passed the debt to a debt collection company which she is unhappy with.

### **our initial conclusions**

Our adjudicator did not recommend that this complaint should be upheld as Ms K owed money to Black Horse and this was not paid off. She therefore did not suggest that Black Horse remove its charge on the property. Ms K disagreed saying in summary that our adjudicator had not addressed her question.

### **my final decision**

To decide what is fair and reasonable in this complaint, I have considered everything that Ms K and Black Horse have provided. Ms K had a secured loan with Black Horse. The debt fell into arrears and Black Horse issued legal proceedings. Ms K agreed to repay the arrears and remaining balance at £200 per month. She was maintaining this payment when the debt was sold on by Black Horse which still holds a charge on the property.

Although I understand that Ms K had come to an arrangement with Black Horse that does not prevent Black Horse selling the debt. At the time it was sold, according to the statement of account, there was still a balance owing. Unfortunately for Ms K, when Black Horse sold on the debt, it does not mean that her debt is cancelled even if Black Horse was paid for the debt. Black Horse's right to collect the debt passes to the new company which bought it from Black Horse. Ms K will therefore owe money to the company which bought her debt. I appreciate that this is disappointing for Ms K who has gradually reduced her debt with Black Horse. But in the circumstances I cannot agree with Ms K that the sale by Black Horse of her debt means that she has no further liability and I cannot fairly uphold this complaint.

**My decision is that I do not uphold this complaint.**

**Under the rules of the Financial Ombudsman Service, I am required to ask Ms K either to accept or reject my decision before 7 April 2015.**

*Gerard McManus*

*ombudsman at the Financial Ombudsman Service*

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

#### **ombudsman notes**

#### **what is a final decision?**

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

#### **what happens next?**

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.