

## **complaint**

Mr P complains that Lloyds Bank plc has passed a business debt to a debt collection agency without telling him. He is concerned because he has not heard of the agents that are now dealing with the debt.

## **background**

Mr P had a business account with the bank where there are outstanding borrowings. The debt was passed to a collection agency but Mr P says he wasn't told about this. He hasn't heard of this agency and was concerned to receive letters from them about the debt.

The adjudicator did not recommend that this complaint should be upheld. He concluded that Lloyds was entitled to sell a debt owned by it to a third party external debt collection agency. It said it had sent a letter to tell him this but it has not been able to provide a copy. It has offered to pay £200 for its shortcomings, which the adjudicator thought was fair.

Mr P did not agree and asked that a decision on this complaint be deferred until another complaint he has made has been decided.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

It is not in dispute that Mr P had a business debt with Lloyds. It obtained a charging order in the county court in late 2011 in respect of it. The judgement was for the amount of the debt at that time together with the future interest on that debt and costs.

In October 2013 Lloyds sold the debt to a debt collection agency. The amount Mr P owed had increased because interest continues to be charged. I consider that Lloyds is entitled to decide whether or not to sell its debts. Generally its loan agreements include a term relating to this. This is the legitimate exercise of its commercial judgement, with which I cannot properly interfere.

I would expect the bank to tell Mr P that it intended to sell his debt to debt collection agents. Mr P says that he did not receive any letter about this. Whilst Lloyds has not been able to provide a copy of the letter it said it sent, it has provided a sample of what it normally sends. I do not consider whether or not Mr P received the letter alters the fact that the bank was still allowed to sell his debt.

Lloyds has accepted that it has not provided the level of service Mr P should have been able to expect in some areas, such as not being able to provide a copy of the letter about the debt sale. It has offered to pay £200 for the inconvenience this has caused, which I am satisfied is fair. I simply leave it to Mr P to decide, upon reflection, whether or not he now wishes to accept this.

It is also clear that the debt is still outstanding and I would urge Mr P to contact the debt collectors to discuss a repayment plan, if he has not already done so. If Mr P is facing financial difficulties I would remind the agents that they have an obligation to treat him positively and sympathetically.

Mr P has asked that a final decision is not made on this complaint until the other complaint he currently has with this service has been fully investigated and concluded. For the avoidance of doubt my consideration is about whether Lloyds was entitled to sell Mr P's business debt to a debt collector. I do not consider that the outcome of his other complaint, which is about insurance, will affect my opinion of what is a fair outcome to this complaint.

**my final decision**

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mr P to accept or reject my decision before 24 August 2015.

Karen Wharton  
**ombudsman**