

complaint

Mr T complains that MBNA Limited has not treated him fairly, in that it sold his debt to a third party earlier than he had expected, and without telling him, as it had said it would do. He would like MBNA to buy the debt back from the third party and allow him to continue making his repayments towards it.

background

Mr T held a credit card account with MBNA. In autumn 2014, he entered into a debt management plan with Stepchange and agreed a settlement amount. In spring 2016, Mr T says Stepchange suggested a payment reduction, but this was not acceptable to MBNA, and so to avoid incurring a default, Mr T starting making top-up repayments in addition to the Stepchange payment. In August 2016, MBNA wrote to Mr T to tell him it planned to terminate his account on 22 October 2016, and that it might sell the debt, but would tell him as soon as was reasonably possible if it did so.

Mr T says he was dismayed to discover from his September 2016 statement that the debt had been sold to a third party on 8 September 2016, as he had not been told that this would happen. He says MBNA has provided misleading information, causing him distress and inconvenience.

Our adjudicator did not recommend that this complaint should be upheld. She considered that while MBNA had acknowledged that its letter to Mr T could have been worded more clearly, that the business was able to sell the debt under the terms and conditions of the account. Because of this, she was not able to order it to buy back the debt. She also noted that there was no intention to record a default on the account, and that Mr T could return to making his contractual repayments, as he intended to do.

Mr T does not agree, saying MBNA should not be able to sell the debt when it had told him it would not do this before a certain date.

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 completely understand why Mr T was upset to discover from his September 2016 statement that MBNA had sold his debt, contrary to the assurances he says were made in the business' August 2016 letter. And given the history of the account, I can understand why he was so anxious to avoid a default, as he'd made such a sustained effort to avoid this outcome.

In considering whether the bank has acted fairly and reasonably, I am guided by what the terms and conditions of the account allow. These do permit MBNA to sell the debt, and it had told Mr T that this could happen. Even if Mr T had objected to the sale in advance of it happening, he would not be able to prevent it, so receiving prior notice of it wouldn't have stopped the sale from proceeding. Because MBNA is able to sell the debt, I can't order it to buy the debt back.

Mr T is understandably unhappy that the bank told him one thing in its letter, then appeared to do something completely different. But while Mr T's September 2016 statement refers to

the debt as having been sold, MBNA says this was not completed until after 22 October 2016, the termination date it had given to Mr T. So whatever the letter and statement said about sale of the debt, in practice, the account was maintained by MBNA until 22 October, in line with what Mr T had been told about the account termination.

MBNA has acknowledged that its letter to Mr T could have been clearer about its intentions. I agree that it gave confusing messages to Mr T about what was happening with his debt and while the outcome may have been the same, it would have been helpful to provide more consistent and clear information to him, as well as reassurance that the account was not going to be defaulted.

But because the outcome was always going to be the same, and because MBNA was able to sell the debt, I'm not able to uphold 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'm required to ask Mr T to accept or reject my decision before 2 May 2017.

Catherine Wolthuizen
ombudsman